

INACTIVE ACCOUNT POLICY

OBJECTIVE:

The objective of the policy is to appropriately deal with the Inactive/dormant clients, where clients have not traded for more than 6 continuous months.

The policy is also applicable for accounts which have been marked inactive on account of Rules, Bye laws, Circulars and Guidelines issued by SEBI, Exchanges and Internal Risk Management Policies.

BACKGROUND:

SEBI vide Circular No. dated December 3, 2009 and National Stock Exchange vide Circular No. NSE/INSP/13606 dated December 3, 2009 directed that a policy be framed by Stock Brokers to deal with the inactive/dormant accounts.

POLICY:

It is prudent to keep a track of dormant and inactive accounts, which could be the breeding ground for any unauthorized transactions. Hence, a closer look is warranted for handling dormant accounts and also to lay down a procedure for reactivating them.

PROCEDURE TO HANDLE INACTIVE/DORMANT ACCOUNTS:

If there is no transaction (buy/sell) entered into by the account holder for more than 6 continuous months, the account will be marked as "INACTIVE/DORMANT".

All the accounts marked as „INACTIVE/DORMANT“ shall be set to a „zero limit“ in the exposures. If the client wants to make the account „ACTIVE“ afterwards, necessary permission will have to be obtained from the operations in charge/proprietor. In case, the client account is made inactive due to submission of documents or any other information, the same will be insisted upon and then only the account shall be reactivated. In case there is any change in the information such as, address, mobile number, email id, bank/demat account, financial disclosure provided in KYC at the time of registration as client, the same will be collected, verified and incorporated in the client master and then only the activation will be carried out. Client account shall be made active after verification as per rules and company policy in vogue at those times.

APPROVAL AND REVIEW:

The policy has been decided by Mr. **Karan K. Sanghvi, Director** and therefore, further approvals are not necessary. The policy shall be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change on account of business needs and Risk Management Policy.