

Policy Regarding Treatment of Inactive/Dormant Accounts

Objective

The objective of this policy is to appropriately manage inactive/dormant client accounts where no trading activity has occurred for more than **six continuous months**.

This policy also applies to accounts that have been marked inactive due to **regulatory requirements**, including **SEBI guidelines, Exchange circulars, and internal risk management policies**.

Background

As per **SEBI circular dated December 3, 2009**, and **NSE circular NSE/INSP/13606 dated December 3, 2009**, stockbrokers are required to frame a policy for handling inactive/dormant accounts.

Policy

1. Definition of Inactive and Dormant Accounts:

- An account is classified as **inactive** if no trading activity occurs for **six continuous months**.
- An account is classified as **dormant** if it remains inactive for an extended period as per regulatory and internal guidelines.

2. Monitoring and Restrictions:

- **Accounts marked as inactive/dormant** will be closely monitored to prevent unauthorised transactions.
- **Trading and fund withdrawals** will be restricted until the reactivation process is completed.

3. Reactivation Process:

Clients can reactivate their accounts using any of the following methods:

- **Phone Request:** Call **customer care/branch office** after identity validation.
- **Written Request:** Submit a **duly signed reactivation request** at the main office/branch office/sub-broker's office, along with **address proof (Aadhar Card, Passport, etc.) identity proof (PAN, Passport, etc.), and financial information (if required)**.
- **Online Request:** Place a **reactivation request via the Internet trading portal**.
- **Email Request:** Send a request from the **registered email address**.

4. Inactive Accounts Due to Regulatory Reasons:

- Clients with accounts marked **inactive due to risk management policies or regulatory non-compliance** must submit a written request with **required financial information**.
- The **compliance officer/risk department** will verify and authorize reactivation as per applicable regulations.

5. Consequences of an Inactive Account:

- **Client's funds and securities** will be settled periodically as per their opted **settlement frequency (monthly/quarterly)**.
- If **no specific authorization** is in place, the **settlement will be conducted at least once every calendar quarter**.
- Upon an **interim request, funds/securities will be transferred after due verification**.
- **Running account authorization**, if provided, will allow **daily settlements to the client's bank/demat account**.

6. Controls Post-Activation of Inactive Accounts:

- A **designated officer will confirm trades** in reactivated accounts.
- **Alerts will be generated and monitored** for any trades executed in previously inactive accounts.

7. Approval Authority:

- This policy requires **approval by the Board** (for corporate members), **Partners** (for partnership firms), or **Proprietor** (for sole proprietorship firms).

8. Review Policy:

- The policy will be **reviewed in case of regulatory changes or business needs**.
- **Corporate members** must have the policy reviewed by the **Managing Director/CEO** and present it to the **Board**.
- **Individual and partnership firms** must have the policy reviewed by the **Managing Partner/Sole Proprietor**.

9. Policy Communication:

- A **copy of this policy will be available to relevant staff**, including **compliance officers, client registration personnel, and sub-brokers/authorized persons**.

Conclusions

Clients are encouraged to **maintain periodic activity** to avoid account dormancy. For **reactivation or assistance**, they should **contact customer support or their account manager**.

