

## **Policy for treatment of Inactive/Dormant Accounts**

This policy defines the treatment of Dormant/Inactive accounts of the clients maintained with SBICAP Securities Limited (SSL).

### **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.

### **Definition of Dormant/ Inactive Accounts:**

In case of trading account the term dormant/Inactive account refers to such account wherein no transactions have been carried out since last 6(six) calendar months.

In case of Demat account the term Dormant/Inactive accounts refers to such accounts where no debit transaction had taken place for a continuous period of 6 (six) months.

### **Transaction in Dormant/Inactive Trading Accounts:**

The Dormant accounts identified based on the above criteria shall be flagged as such in SSL's record. SSL reserves the right to freeze/deactivate such accounts and shall not permit to carry out any fresh transactions in such account. The clients account would be reactivated only after undertaking proper due diligence process and fulfilment of such conditions as may be deemed fit, in the cases where the account has been freezed/deactivated.

### **Process for re-activation of dormant account :**

Client can get his account reactivated by following any of the below mentioned process after due authentication:

- a. Call our customer service executive from registered telephone number

identifying himself through internal validation questions and request for activation of account for placing orders/ transacting in the account.

- b. An email from registered email id for reactivation request.
- c. Submit physical letter of request for reactivation at any of our branches along with the documents such as Address proof, Identity Proof, and financial information (required for trading in derivatives segment).
- d. By placing request for reactivation of account through the Internet Trading Portal.

### **Debit Transaction in Dormant Demat Accounts:**

The Demat accounts wherein no debit transaction had taken place for a continuous period of 6(six) months shall be flagged as Dormant/Inactive accounts. Additional due diligence would be observed over and above the normal verification procedure while processing off market debit transactions in such accounts. The transaction shall also be verified with the Beneficial owner in case of high value debits and the details of the process, date, time, etc., of the verification on the instruction slip shall be recorded under the signature of a senior official.

The above stated policy may vary depending on various rules, regulations and bye laws as may be prescribed by SEBI, exchanges or any other authority or as per internal policy of SSL from time to time.

### **Consequences of Inactive Account**

In case of clients who have credit balance and who are flagged as Dormant, the funds/securities of such clients are returned as hitherto to the client during monthly/quarterly pay-out of funds and securities as per Exchange regulations.