



Policy regarding treatment of Inactive/Dormant Client Accounts

(As per SEBI circular no. MIRSD/ SE /Cir-19/2009 dated December 3, 2009)

This is with reference to exchanges circulars in pursuant to aforesaid SEBI Circulars “Dealings between trading members and their clients wherein Stock Brokers were required to frame policy of treatment of inactive accounts and implement the same”. Further exchanges circulars dated 10 Feb 2020 provided further guidelines regarding treatment of inactive account and ensure uniformity across all the Stock Brokers.

In pursuant to the aforesaid circulars and guidelines we hereby implement the policy for the treatment of Inactive / Dormant Clients:

1. **Definition of Inactive Trading accounts:** In case of trading account, the term Inactive account refers to such account wherein no trades have been carried out since last 12 (Twelve) months across all Exchange.
2. **Transaction in Inactive Trading accounts:** The Inactive accounts identified based on the above criteria shall be flagged as 'Inactive' in the UCC database of all the respective Exchanges, any further trading by such client should be allowed only after undertaking sufficient due diligence and obtaining the updated information related to KYC from the concerned Client.
3. **Consequence of becoming Dormant/Inactive:** In case the client becomes inactive, the account of the client shall be blocked and the client shall not be permitted to execute a fresh transaction in the account.
4. **Reactivations of accounts:**
 - A) If the client is willing to re-activate the account with in 1 year from the date of inactivation in the UCC. The client will provide a reactivation request as mentioned below for activating the dormant account. In case if there is any change with respect to the proofs / documents given earlier, copies of all latest supporting documents i.e. proof of residential address, proof of bank account, proof of Demat account shall be provided by the client.

For Derivatives account, client in addition to the above will have to provide the proof of income of last financial year as on the date of request for activating the dormant account.

Further In case of corporate account, in addition to above also need to submit Copy of balance sheet of last two years and Share Holding Pattern, in case of any change in record submitted earlier.



- B) However, if client comes for re-activating his account after a period of 1 year of being flagged as inactive i.e. after 2 years from their last trading date. Clients are required to submit fresh KYC documentation, and also need to undergo IPV etc. in addition to aforesaid request.
5. **Return of Clients assets:** On a client being declared inactive/ dormant, for the clients having credit balance, who have not done any transaction in the 30 calendar days since the last transaction, the credit balance shall be returned to the client by CEBPL, within next three working days irrespective of the date when the running account was previously settled.
6. **Frequency for checking of inactive client's account status:** It has been decided by management that status of client's accounts shall be checked on monthly basis.
7. **Review Policy:**
- This policy may 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.
 - The policy may be reviewed by the Compliance officer/Director and place the changes in policy before the Board at the meeting first held after such changes are introduced.

For Shreeyam Securities Ltd.

(Formerly as Escorts Securities Ltd.)