



CIL SECURITIES LIMITED

Dormant Account Policy

Background

SEBI vide circular no. MIRSD/ SE /Cir-19/2009 dated December 3, 2009 and National Stock Exchange vide circular no. NSE/INSP/13606 dated December 3, 2009, NSE/INSP/14048 dated Feb 03, 2010, NSE/INSP/43488 dated Feb. 10, 2020 and NSE/INSP/43488 dated Oct. 25, 2024 directed that a policy be framed by the trading members to deal with the inactive/dormant accounts and shall be hosted on the website of the trading members.

Definition

A Trading Account (irrespective whether having debit or credit balance) shall be classified as dormant account in case there are no Corporate action transaction like participating in OFS/buy-back/Open Offer Trading, Modification, Updation for a period in excess of 24 (Twenty four) calendar months from the last transaction date. The Dormant Accounts shall be frozen for further transaction(s).

Transaction in Inactive Trading accounts

The inactive accounts identified based on the above criteria shall be flagged as "Inactive" in UCC database of all the respective Exchanges. We will allow such clients to trade only after undertaking sufficient due diligence as per Compliance (including (IPV/VIPV) and obtaining the updated information related to KYC from the concerned Client.

Re-activation of a Dormant account

A Dormant account shall be re-activated only after undertaking proper due-diligence process and fulfilling of such conditions as may be deemed fit by the authorized person of the organization. As a practice, on receipt of an instruction from the client of a Dormant account, the authorized person has to appropriately verify the KYC of such clients as well as the authenticity of the instruction. The instruction is to be accepted only on satisfaction of the above.

The above stated policy may be modified at any time in accordance to the various rules, regulations, bye-laws and guidelines that may be prescribed by SEBI, Exchange or any other competent authority or as per the internal policy of the organization from time to time. This policy for dormant account is over and above the transaction monitoring in dormant account as per the Anti-Money laundering policy of the organization.

Reviewed on: 28th October, 2024

CHAIRMAN



Internal Policy in respect of passing of NISM-Series –VII: Securities Operation and Risk Management Certification Examination

Reference:

1. SEBI Notification No.LAD-NRO/GN/2010-11/21/29390 published in the Gazette of India on December 10, 2010.
2. NSE Circular no. NSE/INSP/16536 December 15, 2010
3. NSE Circular no. NSE/INSP/27495 September 02, 2014
4. BSE Notice no.20101215-19 dated December 15,2010 5.BSE Notice no. 20140902-8 dated September 02,2014

Brief

SEBI issued Notification no. LAD-NRO/GN/2010-11/21/29390 dated December 10, 2010 , according to which, following categories of associated persons associated with a registered stock broker/trading member/clearing member in any recognized stock exchanges, who are involved in, or deal with any of the following:

- a. Assets or Funds of investors or clients
- b. Redressal of investor grievances
- c. Internal control or risk management
- d. Activities having a bearing on operational risk

shall be required to have a valid certificate of NISM Series VII – Securities Operation & Risk Management (SORM) from National Institute of Securities Market(NISM). NSE and BSE has also issued circulars requesting the members to comply with the requirement of said SEBI Notification. Need For the Policy.

Policy:

This policy requires all the employees And sub-Brokers involved in the above activities to obtain NISM- Series –VII: Securities Operation and Risk Management Certification Examination.

As required in the aforesaid notification of SEBI, all existing persons associated with the Company as on date of publication and engaged in deal with:

- (a) Assets of funds of investors or clients
- (b) Redressal of investor grievances
- (c) Internal control or risk management
- (d) Activities having a bearing on operational risk

shall obtain the valid certification of NISM Series VII - Securities Operation and Risk,Management (SORM) within two years from the date of such notification. Simultaneously whenever the company employs any associated person specified as mentioned above, the said associated person shall obtain valid certification of NISM Series VII

– Securities Operation and Risk Management (SORM) within one year from the date of his /her employment/registration as sub-broker.



Exemption

Associated persons handling the basic clerical / elementary functions in the aforesaid specified areas shall be exempted from obtaining the certification of NISM Series VII - Securities Operation and Risk Management (SORM). For this purpose, the company considers following activities as basic elementary level / clerical level:

Internal Control or Risk Management

1. Inwarding of collated's / Cheques
2. Person performing market entries
3. Maker entry in the database
4. Photocopying, printouts, scanning of documents
5. Preparing of MIS
6. Sending of letters / reports to clients, Exchanges, SEBI
7. Attending Calls, etc. Redressal of Investor Grievances 1. Inwarding of complaints 2. Seeking documents from clients 3. Person performing maker entries 4. Maker entry in the database 5. Photocopying, printouts, scanning of documents
8. Preparing of MIS
9. Sending of letters / reports to clients, Exchanges, SEBI updation, data entry, uploading on SCORES
10. Attending calls, etc

Activities having a bearing on operational risk and dealing with assets of funds of investors of clients

1. Person performing maker entries
2. Maker entry in the database 3. Preparing of MIS 4. Generating of reports, Files
5. Photocopying, printouts, scanning of documents
6. Dispatching documents to clients
7. Sending of letters / reports to clients, Exchanges, SEBI
8. Attending calls, etc

However, any of the works (as stated herein above) being performed by such persons, obtaining, NISM-SORM Certification shall be optional provided that they are supervised by his / her supervisor who shall have to obtain / continue to have NISM – SORM Certification or such other prescribed certification at all times.

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 the policy due to business needs.

The policy may be reviewed by the **Managing Director / Compliance Officer** and place the changes in policy before the Board at the meeting.

Approval Authority:

This policy is as approved by the Board of Directors.



CIL Securities Ltd
Conflict of Interest
Policy

CIL Securities Ltd Conflict of Interest Policy

1. We will at all times maintain high standards of integrity in the conduct of our business;
2. We will ensure fair treatment of our clients and not discriminate amongst them;
3. We will ensure that our personal interest does not, at any time conflict with our duty to our clients and client's interest always takes primacy in our advice, investment decisions and transactions;
4. We will make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair our ability to render fair, objective and unbiased services;
5. We will endeavour to reduce opportunities for conflict through prescriptive measures such as through information barriers to block or hinder the flow of information from one department/unit to another, etc.;
6. We will place appropriate restrictions on transactions in securities while handling a mandate of issuer or client in respect of such security so as to avoid any conflict;
7. We will not deal in securities while in possession of material non published information;
8. We will not communicate the material non published information while dealing in securities on behalf of others;
9. We will not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;
10. We will not have an incentive structure that encourages sale of products not suiting the risk profile of our clients;
11. There will be an educational programme for the "Associated Persons" in every six months for dealing with or avoiding or managing conflict of interest. For this purpose "Associated Persons" will be the persons associated and involved in the following core areas, namely:
 - Assets or funds of investors or clients;
 - Redressal of Investor Grievances;
 - Internal control or Risk Management;
 - Activities having a bearing on Operational Risk.
12. Our Management shall review the compliance of this circular in every six months.



CIL Securities Ltd
POLICY ON CLIENT
CODE
MODIFICATION

CIL SECURITIES LIMITED

POLICY ON CLIENT CODE MODIFICATION

The policy on client code modification is as follows

1. The modification to the client code is done only in exceptional cases and not as a routine one.
2. The reason for modification is ascertained and analysed and genuineness is established and also its impact on the clients is studied before modification is permitted.
3. Normally as a principle, other than for punching errors, no modification to the client codes is allowed.
4. Therefore it is imperative that the issue is reported to the senior level Manager/Director and only with his approval, the modification is carried out after being satisfied that it is genuine, the same is permitted to protect the interests of the client.
5. The client codes modification is available only at the Corporate Manager level and is not given to the branches/franchise/sub-brokers.
6. Finally the decision is taken and permission is granted/withheld for code modification.



CIL Securities Ltd
Policy on Facsimile
Signatures

CIL Securities Ltd Policy on Facsimile Signatures

The Company do not use any facsimile/scanned signatures for physical contract notes.



CIL Securities Ltd
Outsourcing of
Activities Policy

CIL Securities Ltd Outsourcing of Activities Policy

The Company do not outsource any of its activities to any of the outside Vendor.



CIL Securities Ltd
POLICY ON
PRE FUNDED
INSTRUMENT



CIL SECURITIES LIMITED

POLICY ON PREFUNDED INSTRUMENTS AND ELECTRONIC FUND TRANSFER

If the aggregate value of pre-funded instruments is Rs. 50,000/- or more from client per day per client, we may accept the instruments only if the same are accompanied by the name of the bank account holder and number of the bank account debited for the purpose.

And the mode of certification may include the following either :

- a. Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument.
- b. Authentication of the bank account-number debited and name of the account holder by the issuing bank on the reverse of the instrument.

We also maintain an audit trail of the funds received through electronic fund transfers to ensure that the funds are received from their clients only.



CIL SECURITIES LIMITED

Policy on unauthenticated news Circulation

As per code of conduct for Stock Broker in SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 and SEBI circular Cir/ISD/1/2011 dated March 23, 2011; all SEBI registered market intermediaries are required to have proper internal code of conduct to govern the conduct of its Employees. In view of same, CIL SEUCRITIES LIMITED implements code of conduct for communicating through various modes of communication. Employees are prohibited from:

1. Circulation of unauthenticated news related to various scrips in blogs/chat forums/e-mail etc.
2. Encouraging or circulating rumors or unverified information obtained from client, industry, any trade or any other sources without verification.
3. Either forwarding any market related news received in their official mail/personal mail/blog or in any other manner except after the same has been seen and approved by the Compliance Officer.

Our employees are restricted from circulation of rumors or unverified information obtained from client, Industry, any trade or other sources without verification.

The employees will have to seek prior approval from the designated Compliance Officer of CIL Securities Limited - **Mr. Krishna Kumar Maheshwari, # 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001, Telephone No. 040-23023155, email ID: advisors@cilsecurities.com, www.cilsecurities.com**, before forwarding any market related news received by them either in their official mail/personal mail/blog or in any other manner and all the reporting with regard to violation of the same shall be done to the designated Compliance Officer. If an employee fails to do so, he/she shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liable for disciplinary action.



CIL Securities Ltd
Risk Management &
Internal Control
Policy

CIL Securities Ltd Risk Management & Internal Control Policy

PREFACE:

This document shall be deemed to be an official guidelines, policies and procedures to be followed by CIL SECURITIES LTD while carrying out its business activities as a Member of the Bombay Stock Exchange Ltd and National Stock Exchange Limited

The objective of this document is to effectively manage the various risk involved in the business Operations which may include default by Clients, fraud and infidelity by employees, technological failures, misuse of trading system for market manipulations apart from protecting the interests of Investors and ensuring the effective and timely compliance with various applicable Acts, rules, regulations, bye-laws, circulars and guidelines.

MANNER OF USAGE:

This document shall be used as guidelines and reference by the key personnel in charge of the activities namely Client identification and introduction, surveillance, record keeping and the personnel in charge of executing and authorizing the day to day transactions as well as by the business associates such as Sub-Brokers, Remisiers, Authorised Persons etc. who are involved in the activities as mentioned above. The Compliance Officer (CO) shall provide the copy of this document to all such existing as well as new key Personnel and Business Associates from time to time and explain the contents and their responsibilities in this regard.

CIL Securities Ltd Risk Management & Internal Control Policy

REGISTRATION OF CLIENTS.

The sub-brokers, Authorised Persons and Remisiers introducing their Client shall carry out the due diligence of the prospective Clients as to their financial standing, risk profile, past and present stock market experience as well as other business activities undertaken by them, their reference from commonly known person and shall evaluate suitability of the proposed nature of their dealings in the context of information gathered as above. The due diligence of the direct Clients shall be on the same line and by the key personnel of the company.

In addition to the due diligence carried out by the intermediaries, the officials in charge of Client registration at the head office shall carry out further due diligence, if warranted, while verifying the KYC documents. A KYC policy is already in place and the staff members are instructed to strictly adhere to the rules and regulations framed by various authorities from time to time. All the Client registration forms are scrutinized at various levels before final registration of the Client. Trading is allowed to the Clients only after successful upload of "Unique Client Code".

PROCEDURE FOR ACCEPTANCE OF A NEW CUSTOMER

The department responsible for registration of new Clients for the Company shall be required to ensure due compliance of following procedure before providing trading Client code to a new constituent:

- i. That all of the Clients duly complete the formalities relating to Client registration as provided in KYC norms, as in force from time to time. The person in charge of Client registration department must also keep track of additional requirements prescribed by regulators e.g. RBI & SEBI from time to time in this regard and ensure compliance thereof.
- ii. That sufficient documentary evidence is collected from the proposed constituent, which establishes Identity and address of such constituent beyond any reasonable doubt
- iii. That all the copies of supporting documents are matched with the originals
- iv. That a copy of PAN is taken from each constituent, which has been verified with the original and cross checked with the data available on Income-tax Website. In case of any mismatch, the account must not be opened.
- v. That the signature of Constituent on Client Registration Form are matched with the signature given on the PAN Card or any other proof as may be submitted by the constituent and in case of any mismatch the account is opened only if the explanation for such mismatch is found to be reasonable on the basis of further documents e.g. Banker's Signature Verification, as may be submitted by the constituent.

CIL Securities Ltd Risk Management & Internal Control Policy

- vi. That sufficient information has been obtained to identify persons who shall beneficially own or control the trading account. Verify the customer's identity using reliable, independent source documents, data or information;
- vii. That the constituent has provided information about the fact whether he has got any criminal background and whether he has been at any point of time been associated in any civil or criminal proceedings. In case the Client is found to have a criminal background, than such a Client must not be registered without specific permission from the management, which shall exercise due caution before allowing any Client to trade
- viii. That no person is registered as constituent/Client who has been banned from trading in the stock market.
- ix. That the Client has submitted sufficient documentary evidence to prove his financial standing.
- x. That sufficient information has been taken from the Client to ensure that the Client is genuine and objectives of his proposed trading activities are legitimate and bonafide.
- xi. In case a proposed constituent is found to be reluctant in providing required information, then additional measures are employed to verify identity as well genuineness of such constituent.
- xii. That the account for Clients which have been introduced by company's' employees are opened only after due permission from respective head of the department or management is taken.
- xiii. That the proposed constituent has been clearly informed that the volumes of trading transactions that shall be allowed to the constituent from time to time, shall solely depend upon the financial standing and amount of margins deposited by the constituent.
- xiv. That for the purpose of internal controls and due diligence exercise the constituent has been categorized as low, medium or high risk on the basis of Clients' credibility
- xv. To Conduct ongoing due diligence and scrutiny, i.e. perform ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the registered intermediary's knowledge of the customer, its business and risk profile, taking into account, where necessary, the customer's source of funds
- xvi. To identity Proof of Banking Account and Demat account before entering the details of bank and demat account in the Client Master database

REVIEW OF LIST OF EXISTING CLIENTS TO ENSURE COMPLIANCE OF PMLA GUIDELINES

The department responsible for registration of new Clients for the Company shall be required to ensure the following with respect to all the existing constituents of the company:

- i. That the KYC details of all the existing active Clients are reviewed in context to the PMLA 2002 requirements

CIL Securities Ltd Risk Management & Internal Control Policy

- ii. That all the Clients are classified into high, medium or low risk categories based on KYC details, trading activity etc for closer monitoring of high risk category Clients
- iii. That annual financial statements are obtained from the Clients, particularly those in high risk categories; and
- iv. That in case of non individuals, additional information is obtained about the directors, partners, dominant promoters, major shareholders.

RECEIVING, VALIDATING & ENTERING THE ORDERS OF CLIENTS IN THE TRADING PLATFORM.

Normally, the new Clients shall be assigned and introduced to a specific terminal operator and the operator shall be briefed about Client's requirements for trading, investments and his risk taking abilities. Accordingly the terminal operator shall, under instruction from the concerned senior official, allow the Client to place the orders during the live market through written, oral or telephonic instructions

The sub-brokers and Remisiers, who are registered as terminal users with the exchanges, shall be allowed to operate the terminal and place the orders in their respective accounts and in the accounts of their Clients on the basis of the risk profile of their Clients and according to their written, oral or telephonic instructions.

SETTING UP CLIENT'S EXPOSURE LIMITS:

In Cash Segments exposure limits of Clients will be set by the Company on the basis of credit balance available in the Client's account.

In F&O and Currency Segments, exposure to Clients will be based on applicable Upfront Margins and deposits available in the Client's account.

Trading and exposure limits shall be within the limit prescribed by the Stock Exchanges.

Upon the discretion and Client's profile extra exposure or intraday limit will be given to the Client and such extra exposure will automatically be squared off by trading mechanism without any further reference to the Client appx. 10 minutes before the scheduled closing.

GROSS EXPOSURE TRADING LIMITS

CIL Securities Limited shall allow its Clients a gross exposure trading limit which will be based on deposit of the Client. The Board of Directors/ Committee or MD along with Directors authorized for this purpose may reduce / increase the trading limits as a Risk Management measure.

In case of increase in trading limits sought during the market hours, Clients is to transfer funds to the accounts of CIL Securities

CIL Securities Ltd Risk Management & Internal Control Policy

MARGIN OBLIGATIONS

CASH SEGMENT

The Clients are required to pay margins as per the rules and regulations of respective Principal Stock Exchanges.

F&O AND CURRENCY SEGMENTS

The Clients will have to pay initial exposure margins, span margins and any other margin as specified by the respective Exchanges.

CONTROL OVER MTM IN F&O

Real time check on unrealized MTM Loss in F & O segment and alert will be generated and Client appraisal is to be taken up to ensure compliance

COLLECTION AND RELEASE OF PAYMENTS TO CLIENTS

The Client shall be asked to make the full payment as per the daily debit obligation on T+1 basis.

The pay-out of funds shall be made on T+2 basis after confirming the successful pay-in of securities by the Client.

The exchange/segment wise segregated ledger account is to be maintained with an option to view the all exchange/segment merged position.

Under written authorization from the Client, the pay-out of funds can be retained for margins and/or future pay-in obligation and for collection and release of funds and the account shall be maintained on a running account basis with all exchange/segment. The inter exchange/segment Journal Entry shall be passed to show the correct exchange wise outstanding.

PAY-IN OF FUNDS & SECURITIES

The pay-in obligations of funds are to be met on T+2day in Cash Segment and T+1 day in F&O and Currency Derivative Segments. Clients having pay-in obligations are required to maintain balance against their pay-in obligations.

For Pay-in obligations of securities Clients shall be required to meet their obligations on T+2 day latest by 10:30 a.m. and in case of short fall, their obligations will be procured through auctions and will be debited to Client account.

FOR INTERNAL NETTING OF TRADE

CIL Securities Ltd Risk Management & Internal Control Policy

If shortages arising out of Internal netting of trades then auction will not be done and selling Client will be asked to purchase the shares so as to give delivery to the buying Client

ACTIONS FOR DEFAULT IN PAY-IN AND MARGIN OBLIGATIONS

The payment of Margins must be completed on the same day basis and failure to make the payment, shall give a right to reduce the position of the Client/Square off the Position.

DEBIT BALANCES IN CLIENTS' ACCOUNT

The Company will scrutinize the debit balances in Clients' accounts on regular basis and in case of default in payment, the shares available will be sold so as to cover the debit balance and with due notice to the Client.

BANKING OPERATIONS AND PAYMENT OF DIVIDEND ETC.

All the bank account shall be reconciled on a regular basis by downloading the bank statements in electronic form from the websites of respective banks.

The ECS credit of dividends shall be passed in the account of relevant Clients.

One competent employee shall be dedicated for the banking operations to ensure the availability of sufficient funds in the clearing and Clients' accounts.

The person in charge of banking operations shall monitor the returned cheque and necessary follow-up actions.

The instances of return of issued Cheques, if any shall be taken very seriously by the management and will investigate the reasons and will take the required steps to avoid the recurrence of such instances

OPERATIONS & COMPLIANCE REQUIREMENTS.

The day to day operations are being looked after by the Managing Director

The on-line surveillance desk is monitored by Head of Surveillance under direct supervision of the Managing Director, where real time Client wise / scrip wise position, M to M, Margin requirements, available margin and exposure limits are monitored.

MONITORING OF BRANCHES / SUB-BROKERS SHALL BE CARRIED OUT CENTRALLY FROM HEAD OFFICE.

The Surveillance and back office activities are centralized in view of very few numbers of branches; off line through daily risk management reports. Bulk orders i.e. securities that exceed 0.5% of market cap of a stock will be monitored through Back Office report.

Regular branch visits and internal reviews are carried out to ensure smooth functioning and proper management of the branches. As regards operations at branch level, all the back office related activities have been centralized at the corporate office of the company. The operations at the branch level are

CIL Securities Ltd Risk Management & Internal Control Policy

restricted to trading and collection of payments only. All other activities are controlled from corporate office only. Feedback from all the branch managers is received on continuous basis to analyze the status of operations at the branch.

CONTINUITY PLANNING / ALTERNATE PLAN IN CASE OF DISASTERS ETC.

All the Information Technology infrastructure requirements shall be in charge of the Manager, Risk Management

There shall be sufficient and competent man power to manage the trading system failures during the live market.

There shall be the back-up communication link in addition to the regular link for all the exchange segment and it shall be tested periodically.

There shall be main line power input from two different routes and there shall be sufficient battery back-up through on-line UPS.

There shall be two Operation Hubs and incase of Link Failure the operations are transferred to alternate Hub

COMPLIANCE

We are committed to comply with all the requirements issued by the exchange and other market intermediaries from time to time.

We have compliance department in place for continuous monitoring of various compliances. Various internal controls are put in place to ensure strict adherence to all the rules and regulations.

Department wise allocation of various compliances is also done to ensure day-to-day compliances.

For CIL Securities Ltd

KK Maheshwari
Managing Director

Disclaimer

In no event shall CIL Securities Ltd. be responsible to any person or entity for any loss or damage, whether direct, indirect, incidental, and consequential or otherwise, arising out of access or use or dissemination of information contained in this Document.

SURVEILLANCE POLICY

With respect to the transactional alerts being downloaded from the Exchanges/generated by the Company, the following activities will be carried out based on UCC parameters:

Client(s) Information

Due Diligence of its client(s) will be carried out on a continuous basis. It will also be ensured that key KYC parameters are updated on a continuous basis as prescribed by SEBI and latest information of the client is updated in UCC database of the Exchange. Based on this information, the Company will establish groups / association amongst clients to identify multiple accounts / common account / group of clients.

Analysis

In order to analyze the trading activity of the Client(s) / Group of Client(s) or scrips identified based on above alerts, Company will:

- A. Seek explanation from such identified Client(s) / Group of Client(s) for entering into such transactions.
- B. Seek documentary evidence such as bank statement / demat transaction statement or any other documents to satisfy itself:
 - i) In case of funds, Bank statements of the Client(s) / Group of Client(s) from which funds pay-in have been met, to be sought. In case of commodities, demat account statements of the Client(s)/Group of Client(s) from which commodities pay-in has been met, be sought.
 - ii) The period for such statements may be at least +/- 15 days from the date of transactions to verify whether the funds / commodities for the settlement of such trades actually belongs to the client for whom the trades were transacted.
- C. After analyzing the documentary evidences, the Company will record its observations for such identified transactions or Client(s)/Group of Client(s).
- D. In case adverse observations are recorded, the Company will report all such instances to the Exchange within 45 days of the alert generation. The Company may seek extension of the time period from the Exchange, wherever required.

Monitoring and reporting

Following procedure will followed for monitoring and reporting of alerts:

- A. Receipt of Alerts from Exchanges / generated
- B. Time frame for disposition of alerts and if there is any delay in disposition, reason for the same shall be documented.
- C. Suspicious / Manipulative activity identification and reporting process
- D. Record Maintenance
- E. A quarterly MIS shall be discussed on the number of alerts pending at the beginning of the quarter, generated during the quarter, disposed off during the quarter and pending at the end of the quarter. Reasons for pendency shall be discussed and appropriate action will be taken.
- F. The surveillance process shall be conducted under overall supervision of its Compliance Officer.
- G. Compliance Officer will be responsible for all surveillance activities carried out by the Company and for the record maintenance and reporting of such activities.
- H. Based on facts and circumstances, the Company will exercise its independent judgment and will take adequate precaution.

Dormant Account Policy

1. Introduction

The Dormant Account Policy lays down the procedure to be followed when an instruction for debit/credit or buy/sell is received from an account which is Dormant. This policy gives full description like the time period and method considered for terming an account Dormant and also various steps required to be adhered to strictly for re-activating such Dormant accounts.

2. Definition

An account shall be termed to be Dormant if it is inactive or remains non-operational by its holder at a stretch for a specified period of time. Presently, this period is one year i.e. if an account is inactive for a minimum period of one year, it will be classified as a dormant account.

3. Treatment of a Dormant account

All Dormant accounts will be treated in accordance with the policies prescribed by competent authority from time to time. Accordingly the dormant account will be frozen immediately and the client will not be permitted to undertake any further

transaction in such dormant account. The procedure for listing of dormant account is run once every month, preferably on the last day of the month.

4. **Return of Client assets for dormant clients:**

The Company shall inform the clients his account status and Company shall return the assets (funds and commodities) to the client, on request from the clients to have a clear balance.

5 . **Re-activation of a Dormant account**

A Dormant account shall be re-activated only after undertaking proper due-diligence process and fulfilling of such conditions as may be deemed fit by the authorized person of the organization. As a practice, on receipt of an instruction from the client of a Dormant account, the authorised person has to appropriately verify the KYC of such clients as well as the authenticity of the instruction. The instruction is to be accepted only on satisfaction of the above.

The above stated policy may be modified at any time in accordance with the various rules, regulations, bye-laws and guidelines that may be prescribed by SEBI, Exchange or any other competent authority or as per the internal policy of the organization from time to time.

