MEHTA

REWARDING RELATIONSHIPS

MEHTA EQUITIES LIMITED

POLICY ON INACTIVE TRADING ACCOUNTS

This document outlines the policy & minimum procedures for classification and reactivation of inactive accounts for non-institutional clients. This does not apply for institutional clients.

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 24 months across all Exchanges.

Identification of Inactive Accounts

If a client does not trade at least once in any one of the segments/exchanges the client has signed up, for during a period of 24 months, such client accounts shall be categorized as inactive accounts. Such accounts will be flagged as ``Inactive `in the back office as well as in exchange`s UCC database.

Once the account is deactivated, the client will not be able to place any orders in any trade segments.

Client can get his account reactivated only on fulfilling the following requirements:

1. Place reactivation request (in the prescribed format) from his registered email id / Submit physical letter of request for reactivation, provided email request is followed by self-attested KYC documents as specified hereunder.

2. The KYC team should re-verify the email id/mobile of the client in case of any change in such details, modification form to be obtained from the client.

3. Fresh IPV of the client should have been done by the staff of MEL before activation such trading account.

   However, in case a client has undertaken transaction through the Member, with respect to IPO/Mutual Fund subscription and DP operations (if the Member is a DP) during this period, the same can be considered and the requirement for fresh documentation, due diligence, and IPV may not be required.

4. The Client should submit self-attested copy of pan card and fresh address proof, in case of any change in such details, modification form to be obtained from the client.

5. The KYC should re-verify the bank details of such client and in case of any change in bank details, modification form to be obtained from the client.

Reactivation of such account would be subject to necessary due diligences, confirmations and documentary requirements as MEL may deem fit.

Cases where the Clients are untraceable:

Further in cases where MEL is unable to trace such clients in spite of all efforts taken, we have directed the concerned officials to take the following steps:

i. Open one separate Client Bank account and immediately set aside the funds clients in such account.

ii. Maintain audit trail of UCC wise client funds transferred to/from such bank account and UCC wise

iii. In case of receipt of any claims from such clients, members are advised to settle the accounts immediately and ensure that the payment is made to the respective clients only.

Transactions in Inactive Account

Any trades in the inactive account are subject to penalty from the exchanges therefore the concerned client or employee involved in such transactions will be appropriately penalized.

Debit Transaction in Dormant Demat Accounts

The Demat accounts wherein no debit transaction had taken place for a continuous period of 12 months shall be flagged as Dormant accounts.

Debit transactions shall be permitted in dormant demat accounts only on completion of the following procedure:

1. The physical DIS received for transaction in a dormant account shall in addition to the normal verification process also be verified by another employee (additional check)

2. Independent confirmation shall be obtained from the client before processing of the DIS.

3. The Employee verifying such transaction with the Client shall record the details of the process, date, time etc. of verification on the Instruction Slip under his signature and stamp of dormant account

Exchange Compliance

The correct status of the client code should be uploaded in the UCC database of the Exchanges prior to the execution of the trades.

The Member can de-register a client without any prior intimation / notice, in addition to the termination clause of the client member agreement, with regards to:

a) The client being declared a defaulter by any of the regulatory bodies of the country or under any law being in force.
b) In the event of member becoming aware of any proceedings being initiated against the client by any of the regulatory bodies of the country or under any law being in force or the client being involved in any criminal proceedings or any illegal business or the member becoming aware of the client's past offences which are illegal or prohibited by the regulatory bodies of the country or under any law being in force
c) The death of the client.
d) The depository account with member is closed and no alternative depository account details are provided.
e) The client makes a voluntary written request to de-register itself/himself.
f) In the event of member becoming aware of client defaulting in meeting its obligation to the member.

   On the specific written directions of any statutory / legal authority / Regulatory Authority

Return of Clients assets

All the assets of the inactive client should be settled monthly / quarterly basis as per client`s preference in the manner prescribed from time to time. The unsettled securities or fund due to non- traceability of client/s shall be transferred to Client Bank/Client collateral Demat account. Keep audit trail of follow up with clients.

Closure of Inactive accounts

Account Closure may be initiated when the Company receives a specific request from the client to close his trading account and undertakes to clears all outstanding dues. Alternatively, the company many initiate involuntary closure by giving a notice of 30 days to the client and proceed to recover outstanding dues, if any from the client towards settlement of any outstanding obligations.

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