



Inactive Account Policy

Adopted by
Hem Securities Limited

BACKGROUND:

This Policy is framed in accordance with SEBI Notification No: MIRSD/SE/Cir-19/2009, dated: December 03, 2009, NSE Circular No. NSE/INSP/13606, dated: December 03, 2009 and BSE Notice No. 20091204-7, dated: December 04, 2009; which states that all the trading members are required to have an appropriate policy framework regarding the treatment of inactive accounts which should, inter-alia, cover aspects of time period, return of client assets and procedure for reactivation of the same.

OBJECTIVE OF THE POLICY:

This policy is framed to deal with **INACTIVE/ DORMANT** Clients. We will review and analyze the client trading accounts and classify them as "Dormant" accounts, as part of customer due diligence, Risk Management System & Internal Control. This review will be carried out at regular interval (Every Quarter).

INACTIVE/ DORMANT ACCOUNT:

A Trading account which has no trade (buy/ sell) for a period of 2.5 years and has no outstanding position (funds and securities) in any of the segment of the Exchange would be termed as "**INACTIVE/ DORMANT**" trading account.

TREATMENT ON IDENTIFICATION OF AN INACTIVE ACCOUNT:

Advance intimation is sent to the Client before marking their account as "**INACTIVE/ DORMANT**" and in case if any client requests for keeping their account Active then we do not mark their Account as **INACTIVE**. Once, the Account is deactivated, the Client will not be able to place any order in any segment.

On marking a client account as "**INACTIVE/ DORMANT**", an e-mail intimation is sent to the client.

REACTIVATION OF INACTIVE CLIENT ACCOUNTS:

To reactivate an **INACTIVE/ DORMANT** account, we first verify client's identity by confirming their personal details saved in our records before execution of any transaction. If the details given by the client matches with our record and if we assume that such transaction can be done without any risk then we allow the client to trade in their account and obtain a request letter from them for reactivation of "**INACTIVE/ DORMANT**" account.

A Client can submit a duly signed hard copy of Account Reactivation Form or may send a scanned copy through their registered e-mail ID. On receiving reactivation letter, we mark the Client Account as "**ACTIVE**".

In case, if there is any change in information of the Client viz. **address, mobile number, E-Mail ID, Bank Account, DEMAT Account, financial disclosure provided in KYC at the time of registration, etc.**, we request the client to carry out all the necessary formalities as mentioned below:

I. If Client is registered BEFORE implementation of SEBI Circular No. CIR/MIRSD/16/2011 dated: August 22, 2011

- i. Account Reactivation Form
- ii. Account Modification Form **(if required)**
- iii. Execution of a fresh KYC **(if required)**
- iv. Execution of necessary required documents as prescribed in aforesaid circular including but not limited to Risk disclosure document, Policies & Procedures, etc.

II. If Client is registered AFTER implementation of SEBI Circular No. CIR/MIRSD/16/2011 dated: August 22, 2011 and if there is substantial change in KYC details:

- i. Account Reactivation Form
- ii. Account Modification Form **(if required)**
- iii. Execution of a fresh KYC along with other required documents **(if required)**
- iv. **Execution of CKYC**

On receipt of the aforesaid documents and verification of the updated/ revised details and after obtaining approval from Compliance Officer/ Risk Management Department In-Charge, we mark the client account as **ACTIVE**. Accordingly, the client would be given limits based on the collaterals (if any) placed with us.

RETURN OF CLIENT ASSETS:

On a Client being declared as **INACTIVE/ DORMANT**; settlement of their funds and securities would be done in accordance with the settlement frequency (Quarterly/ Monthly) chosen by them.

Whenever a client becomes **DORMANT/ INACTIVE** as per the condition stated above, assets of the client provided for margin will be returned to client as per Client's request or upon confirmation with the client.

IMPLEMENTATION AND REVIEW OF POLICY:

This policy shall come into effect from the date of approval of the Board of Directors of the company for its implementation and that the same shall be reviewed as and when there are any changes introduced by any Regulatory Authority or as when it is found necessary to change on account of Business needs and risk management policy.