

SHRIRAM INSIGHT SHARE BROKERS LTD

Policy on Dormant / Inactive Client Account for SISBL

Background: SEBI vide circular no. dated December 3, 2009 and further on circulars by Commodity Exchanges directed that a policy be framed by stock brokers to deal with the inactive/dormant accounts.

Definition of Inactive Trading accounts: In case of trading account, the term inactive account refers to such account wherein either no trades have been carried out since last 12 (Twelve) months across all Exchanges or have not updated/modified/rectified etc any KYC information including addition of segment enablement.

Transaction in Inactive Trading accounts: The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' by the Shriram Insight Share Brokers Ltd (SISBL) in UCC database of all the respective Exchanges. SISBL also required to ensure that any further trading by such client should be allowed only after undertaking sufficient due diligence (including IPV) and obtaining the updated information related to KYC from the concerned Client. In case a client seeks re-activation before a period of 1 year of being flagged as inactive, Member shall, while reactivating the client, ensure that the basic details of such client like Address, Mobile number, Email ID, Bank/DP account are updated in its records as well in the UCC records of the Exchange. In case of any changes, necessary documents shall be collected.

SISBL shall be required to undertake the fresh documentation, due diligence and IPV compulsorily where a client is coming for reactivation after a period of 1 year of being flagged as inactive. However, in case a client has undertaken transaction through SISBL, with respect to IPO/Mutual Fund subscription and DP operations during this period, the same can be considered and the requirement for fresh documentation, due diligence, and IPV may not be required.

SISBL shall ensure that appropriate due diligence of the client is conducted on an ongoing basis in compliance with the provisions of the PMLA guidelines issued from time to time and in accordance with their respective KYC policies.

Further, in the below mentioned conditions, as stipulated in SEBI circular dated April 24, 2020 bearing reference number SEBI/HO/MIRSD/DOP/CIR/P/2020/73, the requirement for undertaking an IPV shall not be required:-

- Where the KYC of the investor is completed using the Aadhaar authentication / verification of UIDAI.
- When the KYC form has been submitted online, documents have been provided through Digi locker or any other source which could be verified online.

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Return of Clients assets: SISBL are required to ensure that all client accounts are settled on monthly or quarterly basis (as per the client preferences). In case a SISBL is unable to settle the client accounts due to non-availability of client's bank account details and non-traceability of client, SISBL will make all efforts to trace the clients to settle their funds.

Further in cases where SISBL are unable to trace such clients in spite of all efforts taken, SISBL shall take the following steps:

- i. Ascertaining the quantum of the funds for identified inactive clients.
- ii. The fund has been segregated in a separate Client Bank Account.
- iii. In case any of receipt of any claims the amount to be settled from SISBL Client Bank account immediately.