POLICY ON DEALING WITH INACTIVE/DORMANT CLIENTS

ADOPTED BY

GIRIRAJ STOCK BROKING PRIVATE LIMITED

MEMBER: BSE LTD
NSE LTD

POLICY ON DEALING WITH INACTIVE/DORMANT CLIENTS

Introduction:

Giriraj Stock Broking Private Limited is a SEBI registered Stock Broker of BSE Ltd & NSE Ltd.

Background

This is with reference to the Exchange circular no NSE/INSP/2004/31 (download no. NSE/INSP/5387)dated 30th August 2004 and circular no NSE/INSP/2005/41 (download no. NSE/INSP/6623) dated 09th September 2005 and SEBI circular no MIRSD/ SE /Cir-19/2009 dated 3rd December, 2009 regarding dealings between a client and a stock broker. Further NSE has Issued a Circular on Treatment of Inactive trading accounts vide Circular no: 06/2020 (Download Ref No. NSE/INSP/43488) and accordingly the Policy stands modified.

Accordingly the following Mechanism has been put in place by Giriraj Stock Broking Private Limited:

The following accounts shall be categorized as Inactive/ Dormant Accounts:

Trading Account

A Trading account in which no transaction has been carried out for a period of more than 12(Twelve) calendar months shall be classified as aInactive/Dormant Account.

The Terms "Dormant" and "Inactive" shall be used inter changeably.

TREATMENT OF INACTIVE/DORMANT ACCOUNTS

Transactions in Dormant Trading Accounts

In case of dormant trading accounts in which no transaction has been placed during the last 12(Twelve) calendar months, the account of the client shall be suspended and the client shall not be permitted to execute a fresh transaction in the account unless the client provides either of the following:

A written request in hard copy to reactivate the account and process the transaction duly signed by Client and submitted to Giriraj Stock Broking Private Limited along with the latest bank statements.

Concerned Dealers are required to check the identity of the person before taking down orders.

The said client before placing orders has to confirm their KYC requirements as provided earlier and in case the KYC requirement stands changed meanwhile, he will be required to first comply with the latest one.

The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' in UCC database of all the respective Exchanges. Any further trading by such client shall be allowed

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only after undertaking sufficient due diligence (including IPV) and obtaining the updated information related to KYC from the concerned Client.

The Compliance Team shall take the necessary measures as formulated in this policy to reactivate the dormant clients.

MONITORING OF TRANSACTIONS

- Evaluation for dormant account will be done on a daily basis for Trading accounts.
- Sudden activity in dormant accounts in large volume shall be viewed as a suspicious transaction and report will be generated.
- Such reports shall be reviewed by the Authorized Official.
- Transactions found to be suspicious shall immediately be reported to the Compliance Officer.

OTHERS

Return on Assets:

It shall be ensured that all client accounts are settled on monthly or quarterly basis (as per the client preferences) in the manner prescribed from time to time. In case of Inability to settle the client accounts due to non-availability of client's bank account and demat account details and non-traceability of client, it is advised to make all efforts to trace the clients to settle their funds and securities lying with us and maintain an audit trail for such efforts made for tracing such clients and settling funds and securities of such clients. Further in cases where the clients are not traceable in spite of all efforts taken, it shall be ensured to follow the steps:-

a) Open one separate Client Bank/Client collateral Demat account and immediately set aside the funds and securities of these clients in such account.
b) Maintain audit trail of UCC wise client funds transferred to/from such bank account and UCC wise / BO ID wise securities transferred to/from such demat account (as the case may be).
c) Submit UCC wise/BO ID wise and fund/securities information of such account to the Exchange on quarterly basis. The mechanism and the format of the same will be shared in due course.
d) In case of receipt of any claims from such clients, members are advised to settle the accounts immediately and ensure that the payment/delivery is made to the respective clients only.

Reporting of client Funds & Securities:

Further it shall be ensured that it is not required to upload the details of such inactive clients having NIL balances in the weekly submission of securities holding to the Exchange as prescribed in NSE Circular NSE/INSP/40743 dated April 12, 2019 and NSE/INSP/41711 dated July 25, 2019 and monthly upload of client funds and securities balances to Exchange under Enhanced Supervision prescribed in NSE Circular NSE/INSP/33276 dated September 27, 2016,

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NSE/ISC/2017/35268 dated July 3, 2017 and NSE/ISC/36817 dated January 24, 2018. However, details of clients having funds or securities balances shall be reported even if their UCC has been flagged as 'Inactive'.

Review of Policy

The policy may be reviewed as and when there is any change introduced by any statutory authority or as and when it is found necessary to change on account of business needs or Risk management Policy.

For Giriraj Stock Broking Private Limited

Vinay Jajodia

Vinay Jajodia
Compliance Officer