

POLICY REGARDING TREATMENT OF INACTIVE ACCOUNTS

What happens when a client is declared inactive?

On a client being declared inactive,

1. All the securities of the client are transferred into the last known demat account of the client.
2. All the funds of the client are returned to the client.
3. In case the demat account/ bank account details are not available and the client is not contactable, , the securities/ funds are transferred into a separate account of the company and held till such time the company hears from the client or their representatives.
4. Trading in the client account is stopped.

Client declared inactive voluntarily

A client may write to the company stating that he wishes to transfer his account into an “inactive” status, based on which the account will be marked as such.

Client declared inactive by passage of time

Any client who has not traded continually for a period as may be decided by the management from time to time and has also not renewed his running account authorization for such continuous period as decided by the management will automatically be moved to the “inactive” category.

Client declared inactive by law

Any client will be moved to the “inactive” category if required by law.

Procedure to activate the client

To reactivate the account, the client is expected to write to the TM requesting for activation of the account, based on which the account would be activated after due diligence by the TM.

MAINTENANCE OF BOOKS AND RECORDS

- Securities Contracts (Regulation) Rules, 1957 (SCRR) and the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 specifies maintenance of proper books of accounts.
- Members to maintain Exchange-wise separate books of accounts, other records and documents, in accordance with the Rules, Regulations, Bye-laws and relevant circulars of Stock Exchanges.

Regulation 17 (1) of SEBI Regulations provides for maintenance of following books, records and documents by the Brokers.

- Register of transactions (Sauda Book)
- Clients ledger
- General ledger
- Journals
- Cash book
- Bank pass book
- Register of Securities
- Members' contract books
- Counterfoils or duplicates of contract notes issued to clients;
- Written consent of clients in respect of contracts entered into as principals ;
- Margin deposit book;
- Register of accounts of sub-brokers;
- Tripartite Agreement between broker, sub-broker and clients specifying scope of authority and responsibilities of the Broker and such sub-broker.

All these books of accounts and other records are to be preserved by the broker for a minimum period of five years as per Regulation 18 of SEBI (Stock Brokers and Sub Brokers) Regulations, 1992

Other Books and Records

- Register of Complaints
- Records of Particulars of Approved Users
- Record of Brokerage Collected
- Dividend Ledger
- Statement of funds and securities obligations received from the Clearing Corporation

Register of Transactions should contain :

- Name of the Constituent
- Rates both gross and net of brokerage
- Name of the Security (CM) / Contract Specification (F&O)
- Value of the security (CM) / derivatives contract (F&O)
- Date of expiry of Contract (F&O)

Register of securities to be maintained client-wise scrip-wise and should provide for following details

- Date of receipt / delivery
- Quantity received / delivered
- Entity from / to whom received / delivered
- Balance Quantity

-Purpose of receipt / delivery