POLICY FOR TREATMENT OF DORMANT ACCOUNTS

Dormant account policy

The policy for a Dormant account has been framed out under the specific guidelines of Prevention of Money Laundering Act (PMLA) for the safety and security of the investors as well as the financial market.

1. Introduction

The Dormant Account Policy lays down the procedure to be followed when an instruction for debit/credit or buy/sell is received from an account which is Dormant. This policy gives full description like the time period and method considered for terming an account Dormant and also various steps required to be adhered to strictly for re-activating such Dormant accounts.

2. Definition

An account shall be termed to be Dormant if it is inactive or remains non-operational by its holder at a stretch for a specified period of time. This specific period of time has been defined under the PMLA. Presently, this period is 6 (six) calendar months i.e. if an account is inactive for a minimum period of six calendar months, it will be classified as a dormant account.

3. Treatment of a Dormant account

All Dormant accounts will be treated in accordance to the policies prescribed under the PMLA. Accordingly the dormant account will be freezed immediately and the client will not be permitted to undertake any further transaction in such dormant account. The procedure for listing of dormant account is run once every month, preferably on the last day of the month.

4. Re-activation of a Dormant account

A Dormant account shall be re-activated only after undertaking proper due-diligence process and fulfilling of such conditions as may be deemed fit by the authorized person of the organization. As a practice, on receipt of an instruction from the client of a Dormant account, the authorised person has to appropriately verify the KYC of such clients as well as the authenticity of the instruction. The instruction is to be accepted only on satisfaction of the above.

The above stated policy may be modified at any time in accordance to the various rules, regulations, bye-laws and guidelines that may be prescribed by SEBI, Exchange or any other competent authority or as per the internal policy of the organization from time to time. This policy for dormant account is over and above the transaction monitoring in dormant account as per the Anti-Money laundering policy of the organization.