

Procedure to declare a client as an inactive client.

Majority of our clients are investors. Periodically they are investing. Some clients are speculative. Generally in speculative clients frequently disappearing for a long time basing on their capital strength. Sometimes we are not sure that they will return at all like one timers. What type of client they may have to register with us by providing all details required as per SEBI/NSE guide lines.

While dealing on day to day basis we can categorise the clients as regular/inactive clients for our administrative convenience. Keeping in view the above points the following procedure is laid down to identify the inactive clients.

1. Any client has not traded with our company for Six months will be treated as an inactive client.
2. Any client has not responded to our letters asking him to furnish certain data required as per the guide lines of SEBI/NSE this account is also to be treated as inactive client till we get the required documents from him. This fact has to be intimated to him in writing that till the required information is furnished no trade will be effected in his account.
3. Due to demise of any client, on receipt of the information the account should be treated as inactive and no trades should be done in that account.

In the case number one and two, if the client approaches at a later date to trade again his application has to be verified with the latest rules and regulations of SEBI/NSE and he should be advised to submit all the required documents due to change in the rules of the regulatory authorities and prevailing as on date. On receipt of the required documents they may be intimated to the NSE and reactivate his account.

In the case number three on receipt of the information the nominee of the client has to be advised to submit the death certificate and any other relevant documents to settle the account. While settling the account:

- (a) All dues lying in the client account are to be identified.
- (b) Any shares received and lying with us on the date of the death of the client we have to intimate the nominee of the client and advise him to open a DEMAT account with any Depository Participant and should intimate us to transfer the shares in to that new DEPOSIT a/c.
- (c) Before accepting the claim lodged by the nominee given by the client it is advisable to take legal advisors opinion to be on safe side and act accordingly.