



## Policy regarding Treatment of Inactive Account

Issue No

Issue Date

1.5

26/10/24

### B D SHAH SECURITIES LIMITED

R-701, Rotunda, Apollo Street, Fort, Mumbai – 400023

#### POLICY REGARDING TREATMENT OF INACTIVE ACCOUNTS

This Policy regarding Treatment of Inactive Account is the Property of M/s B D SHAH SECURITIES LIMITED and is confidential, no part, contents should be copied with prior approval of the undersigned.

This manual is prepared as per SEBI Act 1992 (15 of 1992).

**I hereby approve the Policy regarding Treatment of Inactive Account**

For B D Shah Securities Limited

Mitesh Bipin Shah

Director

Date: 26/10/2024

Place: MUMBAI





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Contents, Distribution, Amendments

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### Distribution List

Sr. No.	Copy Type	COPY HOLDER	Location
		Designation	
1	Master Copy (Original & hard copy) and original soft copy	Ashish Shah, Director	Vile Parle
2	Soft read only copy on shared folder	All internal employees	Vile Parle

*Amendments Made till 10 /01/ 2022*

No.	Nature of Amendment	Reason for amendment	Date of Amendment
1	Treatment of Inactive Trading account	NSE/INSP/43488 and 20200210-47	10-02-2020
2	Addition of clause 4(d)	NSE/INSP/46506 and 20201201-27	01-12-2020
3	Change in clause 3(c) #	20220106-14	10-01-2022
4	Change in 1 a	20241025-25 (BSE Notice) Dt 25-10-2024, NSE/INSP/64718 Dt 25-10-2024 (NSE Circular)	26-10-2024
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Reviewed by Mr. Ashish Shah

Approved by Mr. Mitesh Shah

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B D SHAH Securities Limited (BDSSL) as a matter of policy accepts and realizes that the Investor community is made of traders as well as investors. Whereas traders trade frequently, the Investors trade with long gaps. The inactive client policy is framed keeping the same in mind.

### 1. Definition of Inactive Trading accounts:

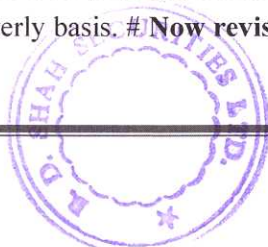
- In case of trading account, the term inactive account refers to such account wherein no trades have been carried out since last 24 (Twenty Four) months across all Exchanges, Mutual Funds, IPO, OFS, Buy-Back, Bond Market.
- In case the KYC details are incomplete including 6 attributes as mentioned in various circulars issued by Exchanges and SEBI (December 2021)
- Where no modification/updation of e-mail Id/Mobile Number/Address in KYC record of client through B D Shah Securities Limited and the same has been uploaded to KRA to ensure Validated/Registered status.

2. **\*\*Transaction in Inactive Trading accounts:** 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 should be allowed only after undertaking sufficient due diligence (including IPV) and obtaining the updated information related to KYC from the concerned Client. Appropriate disciplinary actions may be initiated in case of any trades are executed in any account flagged as 'Inactive'.

3. **Return of Clients assets:** 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 where BDSSL is unable to settle the client accounts due to non-availability of client's bank account and demat account details and non-traceability of client, BDSSL will make all efforts to trace the clients to settle their funds and securities lying with BDSSL 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 BDSSL is unable to trace such clients in spite of all efforts taken, the following steps should be taken

- Open one separate Client Bank or FDR/Client collateral Demat account and immediately set aside the funds and securities of these clients in such account.
- Maintain audit trail of UCC wise client funds transferred to/from such bank account / FDRs and UCC wise / BO ID wise securities transferred to/from such demat account (as the case may be).
- Submit UCC wise/BO ID wise and fund/securities information of such account to the Exchange on quarterly basis. **# Now revised to weekly reporting from 12-02-2022.**

*Ashish Shah*



*Mitesh Shah*



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- d. In case of receipt of any claims from such clients, BDSSL will settle the accounts immediately and ensure that the payment/delivery is made to the respective clients only.

#### 4. 2\*\* Process of Activation of Inactive Clients:

- a. In case where the client is requesting for activation after being flagged as inactive, BDSSL shall call fresh documentation, due diligence, KYC and IPV.
- b. 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.

=====**END OF THE DOCUMENT**=====



*Ashish Shah*

*Mitesh Shah*