



POLICY REGARDING TREATMENT OF INACTIVE/DORMANT ACCOUNTS

✧ Purpose:

As per guidelines prescribed by SEBI vide circular no. Dated December 3, 2009 and to Exchange circulars ref. no. NSE/INSP/43488 dated February 10, 2020, NSE/INSP/46506 dated December 01, 2020 and NSE/INSP/ 49743 dated September 27, 2021 and NSE/INSP/ 64718 dated October 25, 2024, this policy is being framed to deal with the inactive/dormant accounts.

✧ Objective

The objective of the policy is to appropriately deal with the Inactive/dormant clients, where clients have not traded for more than 24 continuous months across the Exchanges.

The policy is also applicable for accounts which have been marked inactive on account of Rules, Bye laws, circulars and guidelines issued by SEBI, Exchanges and Internal Risk Management Policies.

✧ Definition

In case of trading account, the term inactive account refers to such account wherein any of below mentioned activities has not been carried out by client since last 24 (Twenty-Four) months:

- Trading or participation in OFS/buy-back/Open Offer across any of the exchanges/segments* of the exchanges through the same Member or *Cash/Equity Derivative/ Currency Derivative/ Commodities Derivative/EGR /Debt/Online Bond Platform/ Execution Only Platform /Any other segment as may be allowed by SEBI/stock exchanges from time to time.
- Transaction in nature of applying/subscribing IPOs (where the IPO bid is successful & not cancelled)/SGBs/Mutual Funds (lumpsum investment or investments through successful SIP instalment payments) on the Mutual Fund platform of the stock exchanges through the same Member or
- Modification/updation of e-mail Id/Mobile Number/Address in KYC record of client through the same Member and the same has been uploaded to KRA to ensure Validated/Registered status.

✧ Treatment for handling Inactive/dormant accounts

- The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' by B.N. Rathi Securities Limited (hereinafter referred as BNRSL) in UCC database of all the respective Exchanges and Back Office simultaneously.
- All the accounts marked as "INACTIVE/DORMANT" will be monitored periodically by KYC/ops to avoid unauthorized transactions in the account.



B.N.Rathi Securities Ltd.

CIN : L65993TG1985PLC005838
Corporate Member : NSE / BSE / MCX
Depository Participant of Central Depository Service (I) Ltd.

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Amrutha Estates, Somajiguda, Hyderabad - 500 082
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- Regulators may initiate appropriate disciplinary action in case if any trades are executed in any account flagged as 'Inactive'.
- Once the code is deactivated with Dormant flag, trading code is removed from Trading terminal i.e client cannot trade, unless client start reactivation process.
- Actual settlement of fund shall be done as per norms/ guidelines provided by the Exchanges/ SEBI from time to time.
- Member will send the communication/notification to the clients prior to flagging their trading account as inactive however such communication/notification should not ask the clients to trade in order to prevent their accounts from being flagged as inactive.
- BNRSL will exercise appropriate due diligence of the client on an ongoing basis in compliance with the provisions of the PMLA guidelines issued from time to time and in accordance with respective KYC policies.

✦ Activation process

1. Call the customer care centre/main office/branch office/authorized person from a registered telephone number (recorded line) identifying himself and request for activation of account for placing orders/ transacting in the account.
2. Request through BNRSL Mobile App /Letter/Registered email Id/ recorded telephone lines may be used to reactivate the account.
3. Account inactive for not more than 24 Months can also activate through online by verifying existing KYC or client can update latest documents if required (Account will be activated in T+1 day as per exchange working day after verifying the documents)
4. Accounts inactive for more than 24 Months can be activated through IPV and data confirmation i.e Rekyc will be done.
5. While reactivating the client, BNRSL will check and ensure that the basic details of such client like Name, Pan, Address, E mail, Mobile, Income and other details like Bank, DP account status, DOB, KRA, PAN-Adhaar Linking status, UCC linkage status & Family Declaration, PAN/Name mismatch cross verification with UCC/BO/DP are updated/rectified in its records as well in the UCC records of the Exchange. In case of any changes, necessary documents shall be collected. Confirmation from the client will be obtained if there is any change in clients' basic details such as Address, Mobile number, Email ID, Bank/DP account, income, etc
6. KYC department may undertake additional due diligence if so required.
7. Once the reactivation is approved the client UCC will be marked as active on UCC portal across the Exchanges, it will be reactivated on back office and trading interfaces.
8. Once an inactive trading account is re-activated as per the procedure prescribed above, the computation of next 24 months for the purpose of identifying client as inactive in the subsequent period shall be considered from the date of last reactivation of trading account.

✦ Client Assets



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1. BNRSL to ensure 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 a member is unable to settle the client accounts due to non-availability of client's account details and no traceability of client, all efforts to be made to trace the clients to settle client account and maintain an audit trail for such efforts made for tracing such clients and settling their account.
2. In case of receipt of any claims from such clients, such account shall be settled immediately and the payment/delivery is made to the respective clients only.
3. BNRSL shall ensure to keep such unsettled funds up streamed to Clearing Corporations.

✪ **Review Policy**

This policy may be reviewed as and when there are any changes introduced by any Regulatory authority or as and when it is evident to make necessary change on account of business needs and Risk Management policy.

The policy may be reviewed by the KYC department and the changes in policy shall be placed before the Board at the meeting first held after such changes are introduced.

Please note that these funds are lying with us because of untraceable clients who had transferred these funds to us. However, as & when we come to know we are transferring these funds to respective clients. This account is dynamic & amounts are changing periodically. Also we have upstreamed these funds to clearing corporations.