

Policy On Dealing With Inactive / Dormant Clients

Background

This is with reference to the Exchange circular no. NSE/INSP/2004/31 (download no. NSE/INSP/5387) dated 30th August 2004 and circular no. NSE/INSP/2005/41 (download no. NSE/INSP/6623) dated 09th September 2005. Further to the above, SEBI has issued a circular no. MIRSD/ SE /Cir-19/2009 dated 3rd December, 2009 regarding dealings between a client and a stock broker.

Accordingly the following Mechanism has been put in place: The following accounts shall be categorized as Inactive / Dormant Accounts.

Trading Account

A Trading account in which no transaction has been carried out for a period of more than 06(Six) calendar months shall be classified as an Inactive / Dormant Account.

The Terms "Dormant" and "Inactive" shall be used inter changeably.

TREATMENT OF INACTIVE/DORMANT ACCOUNTS

Transactions in Dormant Trading Accounts

In case of dormant trading accounts in which no transaction has been placed during the last 06(Six) calendar months, the account of the client shall be suspended and the client shall not be permitted to execute a fresh transaction in the account unless the client provides either of the following:

- A written request in hard copy to reactivate the account and process the transaction duly signed by Client and submitted to R K Global Shares & Securities Limited along with the latest bank statements.
- Concerned Dealers are required to check the identity of the person before taking down orders.
- The said client before placing orders has to confirm their KYC requirements as provided earlier and in case the KYC requirement stands changed meanwhile, he will be required to first comply with the latest one.
- The Compliance Team shall take the necessary measures as formulated in this policy to reactivate the dormant clients.

MONITORING OF TRANSACTIONS

- Evaluation for dormant accounts will be done on a daily basis for Trading accounts.
- Sudden activity in dormant accounts in large volume shall be viewed as a suspicious transaction and a report will be generated.
- Such reports shall be reviewed by the Authorized Official.
- Transactions found to be suspicious shall immediately be reported to the Risk Management and Compliance Department.

OTHERS

Return on Assets: The Balances lying in the Dormant Trading accounts shall be returned to the client at the time of the calendar quarterly/monthly settlement. In the event the client wishes to receive the funds/securities from such Trading account before the calendar quarterly/monthly settlement, the Client shall make a request in writing which shall be submitted to us. The funds/securities from such Trading accounts shall be returned within 7 days from receipt of the request.

Review of Policy

The policy may be reviewed as and when there is any change introduced by any statutory authority or as and when it is found necessary to change on account of business needs or Risk management Policy.

For R K Global Shares & Securities Limited

Sushil Kumar Dhancholia
Compliance Officer