Treatment of Inactive / Dormant Account Policy

Objective: The objective of the policy is to appropriately deal with Inactive / Dormant accounts, where clients have not traded for more than 24 months.

This policy is further to circulars issued by Exchanges (BSE Notice No. 20200210-47 dated February 10, 2020 and BSE Notice No. 20201201-27 dated December 1, 2020; NSE download reference no. NSE/INSP/43488 dated February 10, 2020 and NSE download reference no. NSE/INSP/46406 dated December 1, 2020; MCX circular no. MCX/INSP/087/2020 dated February 11, 2020 and MCX circular no. MCX/INSP/908/2020 dated December 2, 2020) concerning the treatment of Inactive (Dormant) Accounts.

Consideration of Dormant Account:
If there is no transaction (buy / sell) entered into by the account holder for more than 24 months, the account will be marked as **"Inactive / Dormant"**.

All the accounts marked as "INACTIVE / DORMANT" needs to be monitored carefully in order to avoid unauthorized transactions in the account.

On a client being declared inactive, the client's funds and Pledge Securities shall be settled.
Settlement of client account needs to be done as per the periodicity (monthly / quarterly) opted by the client and his / her assets (funds, securities or any other collateral) be returned to him / her and statement needs to be sent to client.

Dormant Schedule: If the client has not executed any trade for a period of 24 months from the date of activation (this date is recorded as 'agreement date' in the system) or last trading date across all exchanges. This is applicable for all clients who are trading in securities and currency derivatives market.

SPREAD X will inform them when there inactive status updated in Back office. Once we informed the client, then SPREAD X have no liability to client will face any investment hurdle.

Reason for Account being Inactive / Dormant:

a) Not traded continuous 24 months.

b) Where the client is reported or known to have expired.

c) On written request received from the client.

Penal reason:

I) Violation of Company Policy.

II) Contravention of agreement.

III) Where the client is reported or known to have expired.

IV) Where Physical statements or contract notes, etc. are received back undelivered and the client is not responding to update the correct details.

V) Non Compliance as per Rules, Bye laws, Circulars and Guidelines issued by SEBI, Exchange(s), Depository (s).

VI) Regulatory, Exchange (s), Depository (s), Order.

VII) Where client lodges a complaint either directly with SPREAD X or through the Exchange relating to alleged unauthorized trades being executed in his account.

VIII) Where the account in under investigation by appropriate body.

Deregistering a client:

Notwithstanding anything to the contrary stated in the agreement, SPREAD X SECURITIES shall be entitled to terminate the agreement with immediate effect in any of the following circumstances:

- If the action of the client are prima facie illegal / improper or such to manipulate the price of any securities or disturb the normal / proper functioning of the market, either alone or in conjunction with others.
- On the lunacy or other disability of the Client.
- Misbehaviour occurs by client to any staff member.

Process for reactivation:

If the client wants to make the account "ACTIVE", Client must follow the notes where explained standard reactivation process.

- Only Resident-Individual Category client can make Electronic request. For other category can make physical request.
- For those who are coming reactivation **after 24 Inactive months,** Client must submit KYC form with necessary documents and details.
- In case, any discrepancy is observed, Client /AP /BM /HOD must be informed to rectify the same. Until the discrepancy is resolved, re-activation of the dormant account of the client shall be kept in abeyance.
- For those clients who inactive under **penal reason**, they are require to make request with proper evidence. After the scrutinize by compliance officer will take on process. If the compliance officer or In charged Person not satisfied with it request the investor also has to perform In-Person Verification as well.

Time taken for Reactivation:

Particular Of Reason	Method	Method	take process on	Status will be updated
General Reason	Request Received before 14 o'clock.	Electronic Physical	Same day	24 Hours
General Reason	Request Received after 14 o'clock.	Electronic Physical	Next day	48 Hours
Penal reason	Request Received and after all due diligence Cleared.	Electronic Physical	Next day	3 Working Days
Those who are Requested with Modification of Details	Requested Received before 14 o'clock. After that will consider next day.	Electronic Physical	Same day	After Response receive from appropriate body.

Note:

- Reactivation process is deeply dependent on Exchanges responsive. If the Exchange are fail to response our request it may delayed. Client may take note of the same.

- Reactivation process with modification request is are matter to concerning body for approval.

- In modification of details request like Change of Demographic Details, Mobile No. Email ID etc. Client must follow its KYC Validation Process. If the Client fails to do so your application will be rejected and it will require to resubmit.

Review of the policy:

The policy will be reviewed, in accordance with the circulars that the regulatory authorities may issue from time to time, and changes will be incorporated in consultation with the Board Members / Compliance officer and concerned Head of Department.