

RELIANCE SECURITIES LIMITED

DORMANCY POLICY

Version 4.2

Effective from 21st October 2020

(Policy approved by the Board of Directors of The Company at its meeting held on
21st October 2020)

Owner: Product Management (Broking)

Table of Contents:

Sr. No.	Contents	Page No
1	Introduction	3
2	Scope of the Policy	3
3	Definitions & Abbreviations	3
4	Dormancy / Inactive Criteria	4
5	Identification & suspension	5
6	Reactivation	5
7	Treatment of balance / Securities of Dormant / Inactive clients	6
8	Amendment / Revision	6
9	Appendix	7

1. Introduction

Reliance Securities Limited (RSL) is a SEBI Registered Market Intermediary engaged in retail broking business in equities and currency market. The SEBI Circular which has a mention about the framing of dormancy policy by Intermediaries issued on December 03, 2009 forms the basis of formulating and implementing this Policy.

2. Scope of the Policy

The scope of this policy is to formulate clear guidelines for identification, suspension and reactivation of client codes which has been categorized as dormant / inactive as per the RSL Dormancy policy

3. Definitions & Abbreviations

Client	: A person (including a corporate body) who has been enrolled as a client of RSL under an agreement/contract.
Dormant / Inactive Accounts	: An account where there have been no transactions for defined period shall be defined as dormant accounts.
Suspended Accounts	: An account which has been disabled so that no transaction is allowed is termed as suspended accounts.
Management	: Management of RSL
Risk Management Committee	: A Committee appointed by the Board of Directors to mitigate risk factors.
RSL/The Company	: Reliance Securities Limited, a Company incorporated under the Companies Act 1956, and authorized by SEBI to act as Stock Broker under SEBI (Stock-Brokers and Sub-Brokers) Regulations, 1992 as a Stock Broker of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Limited (MCX), National Commodity and Derivatives Exchange Limited (NCDEX) {herein after referred to as Stock Exchange(s)}
SEBI/ the Regulator	: The Securities Exchange Board of India

4. Dormancy / Inactive criteria

Client will be marked as dormant, when all conditions mentioned below are fulfilled

NO transactions for the last 12 months shall be identified as a dormant account. Transactions here mean the following:

- a) No purchase or sale transaction in the Cash Segment of NSE & BSE
- b) No purchase or sale transaction in the Derivative segment of NSE & BSE
- c) No purchase or sale transaction in the currency derivative segment of NSE
- d) No Bank Receipts or Payments (Client Funds Pay-in or Pay-out)
- e) No Mutual Fund or IPO transactions through online portal provided by RSL.
- f) Any other Financial or Security transaction as provided on the website or through the offline mode affecting the common ledger of the customer maintained in the back office for RSL.

Depository Accounts:

All other transactions like pledge, demat, remat, corporate action debit/credit etc. shall not be considered for the identification of dormant accounts. The DP Back Office system shall throw up an alert whenever a DIS is processed in the dormant accounts so that the user shall be required to make a call to the client on a recorded line and confirm that the said instruction has been given by the client himself/herself. A letter to this effect shall also be sent to the client at EOD on the day of processing the instruction. This shall be a system generated letter from the DP Back office system (DP Secure).

5. Identification & suspension

The process of identifying the dormant accounts based on the above mentioned criteria shall be run either daily / weekly /monthly basis post the EOD activities for the day. Accounts identified as dormant shall be flagged as dormant in the trading system, back office system.

Intimation to the client in the form of an email (Appendix – B) and SMS (Appendix – A) shall be sent to the client informing that the client account has been made inactive due to the dormancy.

6. Reactivation Process

Offline Process: For activation of such accounts, clients shall be required to submit a written request to the customer support at the branches along with the copy of PAN. A standard format of the “Trading Account Reactivation” letter (Appendix C) shall be available at all the branches and also on the website.

On receipt of the “Trading Account Reactivation” letter from the customer, the customer support executive shall verify the signature of the trading account holder. If the signature is matched, then a QRC shall be generated for the same and the request letter’s scanned image is also loaded into the CRM system. Once this is done, the process of a fresh IPV shall be initiated and on completion of IPV the account shall be reactivated and the same shall be communicated to the client. The front office operations should keep checking such requests at regular intervals and activate the clients trading account in the front office as well as back office with due remarks. The documents pertaining to the Trading Account Reactivation shall be stored centrally and separately.

Online Process: Clients shall also be given an option to reactivate the accounts which are marked as Dormant. Whenever dormant clients try to login, the system shall open a page with a message that the account is inactive due to dormancy and shall be prompted to enter additional details to reactivate the same. Additional information to be taken is “User ID”, “PAN Number” & Security token. Once the client enters these details and confirms, system shall validate these details and if the details are matching, the process of a fresh IPV shall be initiated and on completion of IPV the account shall be reactivated and the same shall be communicated to the client. system will show message as “Your request is accepted & account will be activated on next working day”.

Call and Trade Desk: Clients shall also be given an option to reactivate the accounts by calling at call and trade desk, client has to give USERID + PAN + Token for activating his account through call and trade desk. Once this is done a fresh IPV process shall be initiated and on completion of the same the account shall be activated and communicated to the client accordingly.

Account will be activated on next working day basis.

7. Treatment of balance / Securities of Dormant / Inactive clients

The company shall ensure that all client accounts which are maintained on running basis are settled on Periodic Settlement of Client Account.

In case of inability to settle the client accounts due to non-traceability of client and non availability of client's bank account and /or demat account details, an audit trail for efforts made for tracing and settling funds and securities of such clients shall be maintained.

Further in cases company is unable to trace such clients in spite of all efforts taken, the following steps to be taken:

- i. Open a separate Client Bank / Client Demat account and set aside the funds and securities of these clients in such account.
- ii. Maintain audit trail of UCC wise client funds transferred to/from such bank account and UCC wise / BO ID wise securities transferred to/from such demat account (as the case may be).
- iii. Submit UCC wise/BO ID wise and fund/securities information of such account to the Exchange on quarterly basis.

In case of receipt of any claims from these clients, accounts to be settled after proper due diligence to ensure that the payment/delivery is made to the respective clients only.

8. Amendment / Revision

The dormancy policy shall be reviewed on an annual basis and amendments if required shall be carried out. However, the management at its discretion may review the same more frequently as may be deemed fit and necessary for this purpose.

APPENDIX A

(SMS Text template)

“Your trading account <<Client code>> has been marked dormant as there has been no transaction for the past one year. For activation contact the nearest branch or customer support”.

APPENDIX B

(Email Text template)

Sub: <<Client Code>>, Trading account marked as Dormant

Dear Customer,

We would like to bring your notice that the SEBI guidelines have made it mandatory for brokers to periodically monitor customers' accounts for dormancy status. We have observed from our records that not a single transaction carried out in your account in the last twelve months. In view of the same and as precautionary measure your account has been marked as Dormant due to NO transactions & NO login.

To reactivate your account you may contact our nearest branch and submit the enclosed reactivation form along with a copy of your PAN card. You can also activate your account by following the procedures as mentioned on our website <http://www.rsec.co.in/> under the section Customer Services / Reactivate Account

Thanking you,

Yours truly,

For Reliance Securities Limited

Sd. /

Authorized Signatory

APPENDIX C

(Format of "Trading Account Reactivation")

To,

Date :

Reliance Securities Limited

Sub: Trading Account Reactivation, Client ID (Trading Account):<<Client Code>>

Dear Sir,

This is to inform you that I am maintaining the above mentioned trading account with you. However, as I have not been transacting for a long period you have marked the same as dormant.

As I would like to start trading under the said account once again, you are requested to reactivate the same. I am enclosing a copy of my PAN card duly self attested.

Thanking you,

Yours truly,

(Client Name)

(Client Signature)

*(In case of any changes in KYC details)*Pls download the [Change request form – for contact and bank details](http://www.rsec.co.in/customer-service/download-forms)<http://www.rsec.co.in/customer-service/download-forms>