



Batlivala & Karani Securities India Pvt. Ltd. [B&K]

(CIN: U67120WB1998PTC087160)

Policy for Inactive Client

BACKGROUND:

Pursuant to the circulars; BSE Notice No. 20200210-47 dated 10th February, 2020 & BSE Notice No. 20201201-27 dated 1st December 2020 and NSE Circular No. 43488 dated 10th February, 2020 & NSE Circular No. 46506 dated 1st December, 2020, regarding Dealings between trading members and their clients wherein Stock Brokers were required to frame policy of treatment of inactive accounts and implement the same.

OBJECTIVE:

The objective of the policy is to appropriately deal with the Inactive/dormant Accounts. The term “inactive account” refers to such account wherein no trades have been carried out since last 12 (Twelve) months across all Exchanges. Such accounts will be flagged as Inactive at backoffice level as well as at exchanges level. Once the account gets deactivated the client will not be able to place any trade in their registered segment / Exchange. Reactivation of such accounts would be subject to necessary due diligence and required documents.

POLICY & PROCESS:

Institutional Clients:

Batlivala & Karani Securities India Pvt. Ltd. is an institutional stock broker, which caters to the trading needs of institutional clients such as Bank, Insurance Companies, Mutual Fund, SEBI Registered FPI's etc. The trading account of a client is set-up based on the account related information such as UCC, CP Code etc. provided by the client at the time of account opening and after such information is verified with the custodians.

In the case client has not traded over a period of 12 months, we flag the same as 'Inactive' in UCC database of all the respective Exchanges. We allow the clients to trade only after undertaking due diligence (including IPV) process which includes obtaining the updated information related to KYC along with Standard Settlement Instruction [SSI] from the concerned Client.

In the case of reactivation of inactive account, the SSI details of the Inactive Clients are re-verified with the custodian in order to understand if there are any changes in the account maintained. Further the client is also contacted and the details of the account are again confirmed.

Non Institutional Clients:

All inactive Non Institutional Clients are settled on monthly or quarterly basis [as per client preference]. We allow the client to trade only after undertaking the fresh documentation, due diligence and IPV where a client is coming for reactivation after a period of 12 months of being flagged as inactive. However, in case a client has undertaken transaction through the Member, with respect to IPO/Mutual Fund subscription during this period, the same can be considered and the requirement for fresh documentation, due diligence, and IPV may not be required. While reactivating the client, we will ensure that the basic details of such client like Address, Mobile number, Email ID, Bank/DP account are updated in our records as well in the UCC records of the Exchange. In case of any changes, necessary documents shall be collected from clients.

In a scenario where there is non-availability of client's bank account and Demat account details and non-traceability of client, we will make all efforts to trace the clients to settle their funds and securities lying with us and maintain an audit trail for such efforts made for tracing such clients and settling funds and securities of such clients.

In cases where we are unable to trace such clients in spite of best efforts taken, we will take following steps:

1. We shall open one separate Client Bank/Client collateral Demat account and immediately set aside the funds and securities of these clients in such account.
2. We shall 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).
3. We will submit UCC wise/BO ID wise and fund/securities information of such account to the Exchange on quarterly basis.
4. In case of receipt of any claims from such clients, after undertaking sufficient due diligence, we shall settle the account immediately and ensure that the payment/delivery is made to the respective clients only.

VIOLATION:

The policy is applicable to all employees of the company and any non-compliance or circumvention, whether intentional or otherwise, will involve action from the management.

REVIEW:

The Board of Directors or Compliance Officer of the company shall review & update this policy from time to time and make the necessary changes as per the amendments introduced by the regulators.

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