Spark Institutional Equities Private Limited ("Spark")

Inactive/ Dormant Account Policy

Version	Updates	Reviewed Date/Month	Effective Date/Month	Department / Team	Approved by
Adopted V 1	Annual Review of policy	Nov- 2022	Nov- 2022	Compliance	Board of SIEPL
V1	Annual Review of policy	Mar 19, 2024	Mar 19, 2024	Compliance	Board of SIEPL
V2	Annual Review of policy	September 11, 2024	September 11, 2024	Compliance	Board of SIEPL
V3	24 months' timeline is added	January 29, 2025	January 29, 2025	Compliance	Board of SIEPL

Introduction

The Securities and Exchange Board of India ("SEBI") vide circular MIRSD/SE/Cir-19/2009 dated December 03, 2009 , Bombay Stock Exchange of India ("BSE") vide circular 20200210-47 dated February 10, 2020 and National Stock Exchange ("NSE") vide circular NSE/INSP/43488 dated February 10, 2020 and NSE/INSP/64718 dated October 25, 2024 (together referred to as the "Circulars"), have directed the stock brokers to frame a policy with respect to treatment of Inactive/ Dormant accounts which, inter-alia, covers aspects of time period, return of client assets and procedure for reactivation of the same. In pursuance thereof, Spark has introduced an Inactive/ Dormant Account Policy ("Policy") to regulate and handle the procedures with respect to Inactive/ Dormant accounts of its clients.

Inactive/ Dormant Account

The term Inactive/ Dormant account refers to such account wherein no trades have been carried out in the last 24 (Twenty-Four) months across all the Exchanges. An account in which a client has placed an order or effectuated a pay-in / pay-out initiated or placed a trade with Spark would be construed as an operative account for the purpose of this policy.

If a client account has been identified as an Inactive/ Dormant account, the Broking Operations team shall inform the respective Relationship Manager ("RM"), Dealer or Sales person, before marking the client account as an Inactive/ Dormant Account. The following process will then be followed:

1. The status of the client account shall be changed to 'Inactive/Dormant' in the back office systems – (Ibeats and Omnesys),

2. Update the status of the client as dormant in the UCC database of the respective stock exchanges (BSE and NSE).

Dealers must exercise caution and make appropriate escalations to the Head of Operations if orders are received in an Inactive/ Dormant account. In pursuance to the above, the Broking Operations team is required to upload the correct status of the client code in the UCC database of the respective stock exchanges prior to execution of trades.

The above process is applicable to non-custodian settled clients. Institutional clients are exempted pursuant to a clarification received on this, from the stock exchanges.

Consequence of the account becoming Inactive/ Dormant

On client account being declared as Inactive, the client's collaterals, if any, will be settled.

Return of Assets (Non CP Code Clients only)

On client's account being declared as Inactive/ Dormant, the funds/securities in the accounts shall be settled and returned to the client at the time of the relevant calendar quarterly/monthly settlement period. In the event the client wishes to receive the funds/securities from such account at any time, the client may make a request in writing for refund of the funds/securities lying in the Inactive/ Dormant account. The funds/securities from such account will be returned within two working days from receipt of request.

In case where the Broking Operations team is unable to settle the client account due to non-availability of client's bank account and demat account and non-traceability of the client, the Broking Operations team and the RM will endeavor to take all the efforts to trace the client to settle their funds/securities lying with Spark and maintain an audit trail for all such efforts made for tracing the clients and settling funds/securities of the client.

Where the Broking Operations team and RM are unable to trace the client in spite of all reasonable efforts taken, the following steps as mandated in the Circulars shall be taken:

i) Open a separate client bank account and immediately set aside the funds of these clients in such account.

ii) Maintain audit trail of UCC wiseclient funds transferred to/ from such bank accounts and UCC wise securities transferred to/from such demat account.

iii) Submit UCC wise and fund/securities information of such account to the Exchange on a quarterly basis.

iv) In case of receipt of claims from such clients, the Broking Operations team will endeavor to settle the accounts immediately and ensure that the payment/ delivery is made to the respective clients only.

Re-activation of trading account

The Inactive/ Dormant Account will be re-activated only after receiving a request (as per the format available with Operations team as amended from time to time in compliance with Exchange and/or regulatory changes) from the client/account holder to re-activate his/her account along with all the required formalities of KYC Compliance. The re-activation of account will be subject to sufficient due diligence (including In Person Verification) and additionally will require the following details/documents:

- Email ID and Mobile number

- Proof of Identity

- Latest Proof of Residential Address

- Latest Proof of Bank account

- Financial Details (IT Returns or Financial Statements as the case may be)

The Operations team, upon verifying at its end, may activate client's trading code in the Trading System and inform the client. The following process needs to be followed:

1) The status of the client account shall be changed to 'Active' in the back office systems – (Ibeats and Omnesys).

2) Update the status of the client as Active in the UCC database of all the respective stock exchanges (BSE and NSE).

Reporting of client funds and securities

Details of Inactive/ Dormant accounts having NIL balances are not required to be uploaded in the daily & weekly submissions of Segregation & Cash and Cash Equivalent to the stock exchanges. However, details of clients having funds and securities balances shall be reported even if the client's UCC has been flagged as 'Inactive/ Dormant'.

General

The board of Spark shall undertake a periodic review of the Policy and the Compliance Officer shall ensure compliance with the Circulars issued by SEBI and the stock exchanges in this regard, from time to time.