

**Asit C. Mehta Investment Intermediates Limited (ACMIIL)**  
**Policy for Treatment of Inactive accounts**

Asit C. Mehta Investment Intermediates Limited's (ACMIIL/the company) policy for treatment of inactive account was initially made pursuant to SEBI circular dated December 3, 2009 regarding dealings between trading members and their clients. The said policy is now revised in terms of Exchange circulars dated February 10, 2020, with a view to prevent unintentional misuse of client's funds or assets especially in cases where the client is inactive for a long period of time.

**1. Applicability**

This policy is applicable to only to non-institutional investors. However, this policy is not applicable for

- a) Trading accounts of Institutional Investors and
- b) Non-Institutional Investors who settle their trades through custodians.

**2. Definition of Inactive Trading Account**

The term inactive trading account (hereinafter referred to as Inactive account) refers to an account wherein no trades have been carried out in such account since last 12 calendar months across all Exchanges from the date of last transaction.

**3. Identification of Inactive Account:**

The authorised person of company will identify inactive accounts across all Exchanges on a weekly basis. The 12 months period referred to in Clause 2 above, will be calculated from the last trade date executed in the said trading account across all the Exchanges and all segments including transactions related to ETF, Mutual Funds, Bonds, NCD, SLBM, etc. Authorised person shall be the person designated for this purpose. In absence of such designation, the compliance officer of the company will be the authorised person.

**4. Flagging of Inactive Accounts**

The company will flag identified inactive accounts as "Inactive" in the Unique Client Code (UCC) database of the Exchanges in which the company is registered as a member.

**5. Reactivation of Trading Accounts:**

In the event that a client whose account has been marked as inactive account by the company approaches/requests the company to permit trading in his/her/its account, the company will activate such account and allow such trading only after undertaking sufficient due diligence (including In Person Verification through reliable means including through video calling) and obtaining updated information (including financial details and residential status) related to the Know Your Client (KYC) details of the client.

The client can place such request for re-activation by

- a) Calling up the customer service help desk on 022-28584545 or e-mail id [customerservice@acm.co.in](mailto:customerservice@acm.co.in), or
- b) Placing the duly signed request in writing to the company's registered office/branch office/registered authorised person of the company, or
- c) By placing the request for re-activation of account through his log-in credentials.

## **6. Settlement of Client Accounts**

The company will settle the accounts of all clients on a monthly or quarterly basis (as per the client preferences) in the manner prescribed by the regulatory authorities from time to time.

## **7. Return of Client Assets**

There is a possibility that in the case of some clients, it may not be possible for the company to settle the client accounts due to

- a) Non-availability of the required details like bank account details and/or demat account details.
- b) Non-traceability of the client.

In such a case, the company will make all reasonable efforts to trace such clients and obtain the relevant updated required details to settle the funds and securities of such clients lying with the company.

## **8. Setting aside of funds and securities of those clients whose accounts have not been settled**

### **8.1. Maintenance of a separate Client Bank account**

The company will maintain a separate Client Bank account for setting aside the funds of such clients as are untraceable and whose funds are unsettled.

### **8.2. Maintenance of a separate Client Collateral Demat Account**

The company will maintain a separate Client Collateral Demat account for setting aside the securities of such clients as are untraceable and whose securities are unsettled.

## **9. Dealing with claims of clients referred to on Clause 6 above**

Where the clients (referred to in Clause 6 above) whose funds and/or securities have not been settled make any claim in respect of their funds and/or securities, the accounts of such clients will be settled after reasonable due diligence, by obtaining the required details and making the payment of fund/delivery of securities to the respective client only.

## **10. Reporting of Inactive Clients Funds and Securities**

10.1. Where the inactive clients have a nil balance in their ledger account as well as demat account, the company will not upload the details of such clients in the weekly submission of securities holding and monthly upload of clients funds and securities balances to the Exchanges.

10.2. However, details of clients having funds or securities balances shall be reported in the weekly submission of securities holding and monthly upload of clients funds and securities balances to the Exchanges, even if their UCC has been flagged as "Inactive".

## **11. Audit Trail**

The company will maintain an audit trail of

- a) The efforts made for tracing the clients who are untraceable,
- b) The efforts made for settling the funds and securities of such clients,
- c) UCC wise/BO ID wise client funds transferred to/from the Client Bank account referred to in Clause 7.1 above, and
- d) UCC wise/ BO ID wise client securities transferred to/from the Client Collateral Demat account referred to in Clause 7.2 above.

## **12. Submission of Information to the Regulatory Authorities**

The company will submit to the Exchanges on a quarterly basis, UCC wise/ BO ID wise funds/security information of the clients referred to in Clause 6 above.

**Note: The policy will be reviewed annually or as per regulatory requirement by the Compliance officer of the company.**