



# STEWART & MACKERTICH WEALTH MANAGEMENT LTD.

CIN: U51109WB1993PLC060987

Vaibhav (5F), 4, Lee Road, Kolkata – 700 020

Tel: (91 33) 3051 5400 / 4011 5400 Fax: (91 33) 2289 3401

Email ID: [investors@smifs.com](mailto:investors@smifs.com) Website: [www.smifs.com](http://www.smifs.com)

## DORMANT

&

## INACTIVE ACCOUNT POLICY

Policy Authored By:

*Sudipto Datta*

Shri Sudipto Datta  
Compliance Officer

*Pankaj Tiwari*

Shri Pankaj Tiwari  
Chief Financial Officer

*Nisha Patodia*

Miss Nisha Patodia  
Company Secretary

Policy Reviewed on April, 2015



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## 1. Objective

1.1 In order to ensure safety & security of the Investors and prevent any "Error" and/or "Fraud" this "**Dormant & In-Active Account Policy**" has been formulated under the instructions of the Board Members of the Company, in compliance with the specific guidelines of Prevention of Money Laundering Act (PMLA) and/or as mandated by Securities and Exchange Board of India and The Stock Exchanges, where the Company is a Trading Member.

1.2 The Policy lays down the procedure shall be followed when an instruction for debit /credit or buy/sell is received from an account which is Dormant and/or In-Active. This Policy gives full description like the time period and method considered for terming an account Dormant and/or In-Active as well as various steps required for re-activating such Dormant Account & In-Active Account.

## 2. Responsibility:

2.1 The Compliance Officer shall be responsible for the implementation and supervision of this Policy.

2.2 The KYC-KRA Officer, RMS Officer, Investor Grievance Officer and Associate Compliance Officer shall assist and report to the Compliance Officer on a daily basis if any non-compliance(s) of this policy is observed.

2.3 The Compliance Officer shall take all necessary steps to monitor, document, analyze and report the findings to the Board Members as well as the relevant Stock Exchanges and/or regulatory bodies, in a time bound manner, as detailed hereunder and/or as mandated by the Stock Exchanges and/or regulatory bodies.

2.4 The Compliance Officer shall exercise his/her independent judgment and take adequate precautions to ensure implementation of an effective monitoring mechanism, based on the day-to-day activities of the clients, general market information and the facts and circumstances.





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2.5 The Internal Auditor of the Company, shall review the implementation, documentation, effectiveness and review the actions taken during the period of audit and shall record the observations with respect to the same in their Internal Audit Reports.

2.6 The Board of Directors shall peruse, review and provide necessary guidance with regard to the **"Dormant & In-Active Account Policy"**, periodically, for strengthening the processes.

### **3. Concepts**

3.1 The RMS Officer and KYC-KRA Officer, at regular fortnightly intervals, shall review and analyze the Trading Accounts of the Clients and classify and flag them as "Dormant Accounts" and/or "In-Active Accounts" based on the parameters defined below, as part of Customer Due Diligence Process.

3.2 "**Dormant Account**" is an account, which is not presently used by the Client for trading and has executed no trades during the last six months OR for a period exceeding six months, but is likely to be used in future.

3.3 "**In-Active Account**" is an account, which is not presently used by the Client for trading since a long time and has not executed any trade for the last one-year OR for a period exceeding one-year and not likely to be used by the client in the near future.

### **4. Treatment of Dormant & In-Active Account**

4.1 The Associate Compliance Officer shall review and analyze the Trading Accounts of the Clients and classify and flag them as "**Dormant**" & "**In-Active**" Account(s) based on the parameters defined in Point Nos. 3.2 & 3.3, as part of Customer Due Diligence Process and report to the Compliance Officer.

4.2 All Dormant Accounts shall be frozen immediately and the client shall not be permitted to undertake any further transaction in such Dormant Account upon the instructions of the Compliance Officer.

4.3 The RMS Officer shall De-Map the Client Code upon the instructions of the Compliance Officer.







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4.4 The KYC-KRA Officer shall mark the Client Code as In-Active over the Stock Exchange Interface.

4.5 A Dormant Account or In-Active Account shall be "Re-Activated" only upon proper due-diligence process and fulfilling of such conditions as detailed below in Point No. 6.

### **5. Analysis:**

5.1 In case any written application for activation and /or reactivation of Dormant Account and /or Inactive Account is received from the client the same shall be reported to the Compliance Officer.

5.2 The Associate Compliance Officer shall seek necessary clarifications and supporting documents from the Client to satisfy himself/herself in respect of Identity and Bonafide of the client and shall report to the Compliance Officer.

5.3 The Compliance Officer shall upon Careful Due Diligence in consultation with Associate Compliance Officer and KYC & KRA Officer shall analyze the genuinity of the Client and upon satisfaction shall allow the Re-Activation of the Dormant Account and/or In-Active Account, with necessary reasoning and clarifications.

5.4 If in case in the opinion of the Compliance Officer that the request for reactivation of Dormant Account and /or Inactive Account violates the applicable Rules or Regulations for the time being in force , the same shall be reported to the Designated Directors and necessary steps shall be initiated.

### **6. Due Diligence Process:**

The Compliance Officer shall exercise **Caution & Due Diligence** in respect of "Dormant Account" and/or "Inactive Account" to prevent any "Error" and/or "Fraud" due to their "Dormant/In-Active" status. These cautions shall be exercised while:

#### **6.1 Resumption Of Trading for Dormant Account:**

6.1.1 A "Dormant Account" may be re-activated for trading on receipt of written application for re-activation from the client along with following necessary supporting documents such





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as: a) PAN Card, b) Latest Proof of Address as mandated under Rules and Regulations and c) Current Bank Account Statement.

6.1.2 The client may be asked to visit the branch and submit the "request letter" for activation of trading account.

6.1.3 The KYC & KRA Officer shall carry out "In-Person" verification of the inactive clients and verify the supporting documents submitted by the clients with the originals.

6.1.4 The KYC & KRA Officer shall check whether the client is listed as a Debarred entity.

6.1.5 Necessary clearances shall be obtained from the RMS Officer and Investor Grievance Officer for processing the application for re-activation.

6.1.6 The trading account may get re-activated within 7 working days of submission of application of re-activation, upon the discretion and satisfaction of the Compliance Officer.

6.1.7 The Compliance Officer shall advise the KYC-KRA Officer to re-activate the account over the Stock Exchange Interface and the RMS Officer to map the Client Code to the desired Dealer.

### **6.2 Resumption Of Trading for In-Active Account:**

6.2.1 An "In-Active Account" may be re-activated for trading upon complying the detailed formalities of Client Registration Procedure along with requisite Annexures, required at the time of Opening of a New Account, along with a written application for re-activation of the Account.

6.2.2 The KYC & KRA Officer shall carry out the detailed process as required while activating a new client, including "In-Person" verification process and verifying the supporting documents submitted by the clients with the originals.

6.2.3 The KYC & KRA Officer shall check whether the client is listed as a Debarred entity.

6.2.4 Necessary clearances shall be obtained from the RMS Officer and Investor Grievance Officer for processing the application for re-activation.







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6.2.5 The trading account may get re-activated within 7 working days of submission of application of re-activation and processing of the Client Registration Procedure, upon the discretion and satisfaction of the Compliance Officer.

6.2.6 The Compliance Officer shall advise the KYC-KRA Officer to re-activate the account over the Stock Exchange Interface and the RMS Officer to map the Client Code to the desired Dealer.

### **6.3 Change of Critical Client Details:**

6.3.1 Request for change in critical client details like Address, Bank Account, Demat Account, Email Address, Mobile Number / Phone Number, etc. shall be processed only after proper written application by the Client along with valid supportings and "In-Person" verification of the client by the KYC-KRA Officer.

### **7. Management Information System (MIS):**

7.1 A daily MIS Report (by T+1 day) shall be intimated by the Associate Compliance Officer with regard to "Dormant Account & Inactive Account" and the "Action Taken Report", to the Compliance Officer.

7.2 A Monthly MIS report (by 7 Calendar Days from the end of each month) shall be submitted by the Compliance Officer to the Designated Director. The Compliance Officer shall apprise the Board of Directors of the exception(s) noticed, if any as also the Actions taken by him/her.

7.3 A Quarterly MIS report (by 30 Calendar Days from the end of each quarter) shall be submitted by the Compliance Officer to the Board of Directors. The Compliance Officer shall apprise the Board of Directors of any exception(s) noticed, if any as also the Actions taken by him/her.

7.4 Internal Auditor shall verify and submit separate report on a monthly basis (by 15 Calendar Days from the end of each month) in respect of Dormant Account & Inactive Account and the actions taken in respect of the Compliances made and pending actions, if any.





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### **8. Record Maintenance:**

8.1 The Compliance Officer shall be responsible for the record maintenance of such activities.

8.2 The Compliance Officer shall be assisted by the Associate Compliance Officer & the KYC & KRA Officer and shall have the discretion to take assistance/help from any professionals and/or software for the better Monitoring of Client Code Modification / Transfer Policy, with prior approval of the Board of Directors, without diluting the accountability and responsibility of the Compliance Officer.

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