

VSE Stock Services Ltd

Policy for treatment of Dormant Accounts

(Supplemental to the Prevention of Money Laundering Policy of the Company)

Recommended by Operation committee on 1st September, 2010

Approved by the Board of Directors on 17th September, 2010

The provisions specified herein shall be part of the provisions pertaining to dormant/inactive account as specified in the existing Policy of the Company for Prevention of Money Laundering.

A. DEFINITIONS

The following account shall be categorized as Dormant Accounts:

I. Trading account

A Trading account in which no transaction has been carried out for a period of more than 12 (Twelve) calendar months shall be classified as a Dormant Account.

The Terms "Dormant" and "Inactive" shall be used interchangeably.

B. TREATMENT OF DORMANT ACCOUNTS

To designate the client's account as Dormant / In-active account, the period of 12 months shall be counted from the last day of respective month in which any of the aforesaid last transaction took place.

Such transaction date may relate to any of the following date, which ever is later:

- (a) entry related to contract or bill generation for buy / sell transaction or,
- (b) entry related to payment of funds or securities by client or,
- (c) entry passed by the broker by way in JV due to any dues / obligation recoverable from client including but not limited to auction charges, any penalty amount whether or not imposed by Exchange or SEBI or other authorities etc.

In case Broker treat the account of client as a dormant / on-active account, the funds or securities lying with the broker shall be refunded / returned to client immediately on demand by the client. The Broker will try to promptly reactive the said account subject to fulfillment of such conditions as Broker may consider fit and proper.



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Transactions in Dormant Trading Accounts

In case of Online or Offline dormant trading accounts in which no transaction has been placed during the last 12 [twelve] calendar months, the account of the client shall be locked and the client shall not be permitted to execute a fresh transaction in the account unless the client provides either of the following:

- In order to reactive and account, client needs to instruct the Broker in writing atleast 2 days in advance at its Vadodara Office, a Broker may consider fit and proper. However, Broker may, in its own discretion, waive / reduce the period of 2 days as the circumstances may warrant on case to case basis.

- An e-mail request to reactive the account and process the transaction. Such e-mail request shall be sent only from the e-mail id of the Client registered with the Company; or

- A written request to reactive the account and process the transaction duly signed by Client and submitted to the Company;

- A telephonic request to reactive the account and process the transaction shall not be considered.

Further, the request shall be processed only after the client provides additional identification.

C. CHARGES IN CASE OF DORMANT ACCOUNT

No annual charges will be charged in respect of dormant/inactive accounts.

D. MONITORING OF TRANSACTIONS

Sudden activity in dormant accounts may be viewed as a suspicious transaction.

Any transactions in dormant Trading accounts shall be reported as an Alert and adequate reports shall be generated.

Such alerts/reports shall be reviewed by the Authorised Official of the company

Transactions found to be suspicious shall immediately be reported to the Risk Management and Compliance Department

Evaluation for dormant account will be done every calendar quarter.



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E. OTHER

Return of Assets

The Balances lying in the Dormant Trading accounts shall be returned to the client at the time of the calendar quarterly/monthly settlement. In the event the client wishes to receive the funds/securities from such Trading account before the calendar quarterly/monthly settlement, the Client shall make a request in writing which shall be submitted to the Company Head Office. The funds/securities from such Trading account shall be returned on T+1 day from receipt of request.

This policy can be viewed from the website of the company i.e. www.vselindia.com



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