Spark PWM Private Limited (SPWM)

Inactive/ Dormant Account Policy

Version	4.0
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Reference	SPWM/BROKING/OPS/006_INACTIVE AC POLICY
Owner	Head of Operations
Approved by	Board of Directors

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, (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 Private Wealth Management - Broking ("SPWM") 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

Definition of Inactive Trading Account: In case of trading account, the term inactive account refers to such account wherein any of below mentioned activities has not been carried out by client since last 24 (Twenty-Four) months:

• Trading or participation in OFS/buy-back/Open Offer across any of the exchanges/segments* of the exchanges through the same Member or

*Cash/Equity Derivative/ Currency Derivative/ Commodities Derivative/EGR /Debt/Online Bond Platform/ Execution Only Platform /Any other segment as may be allowed by SEBI/stock exchanges from time to time.

• Transaction in nature of applying/subscribing IPOs (where the IPO bid is successful & not cancelled)/SGBs/Mutual Funds (lumpsum investment or investments through successful SIP instalment payments) on the Mutual Fund platform of the stock exchanges through the same Member or

• Modification/updation of e-mail Id/Mobile Number/Address in KYC record of client through the same Member and the same has been uploaded to KRA to ensure Validated/Registered status.

From the Depository Participant perspective, if there is no transaction in a Demat account for a continuous period of 12 months or more, the Demat Account will be marked dormant. Any DIS request received from Beneficial Owner of Dormant Demat Account, Spark PWM may verify the same with the account holders independently before executing the instruction.

Further, a credit in the demat account through purchase of securities and voluntary corporate action (such as subscribing to rights issues/ systematic investment plans (SIPs) of mutual funds, etc.) may be considered as a transaction for assessing the dormancy. However, any credit due to involuntary corporate action (such as bonus, split, etc.) may not be considered as transaction for assessing the dormancy. Once the Trading account has been identified as an Inactive/ Dormant account, the Broking Operations team shall inform the respective Relationship Manager ("RM") or Sales person. 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

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

Consequence of the account becoming Inactive/ Dormant

On client account being declared as Inactive, such accounts shall be flagged as 'Inactive' by Spark PWM in UCC database of all the respective Exchanges. Spark PWM will also ensure that any further trading by such client should be allowed only after undertaking sufficient due diligence (including IPV) and obtaining the updated information related to KYC from the concerned Client.

Return of Assets

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 SPWM 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 the RM is unable to trace the client in spite of all reasonable efforts taken the following steps as mandated in the Circulars shall be taken:

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

ii) 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.

iii) Spark shall ensure to keep such unsettled funds upstreamed to Clearing Corporations.

Re-activation of trading account

The Inactive/ Dormant Account will be re-activated only after receiving a request (format enclosed as an Annexure) from the client/account holder to re-activate his/her/their account.

Spark PWM will seek confirmation from the client if there is any change in clients' basic details such as Address, Mobile number, Email ID, Bank/DP account, income, etc. as registered with the Member. In case of changes in any of the said details, the Member shall seek the updated details along with the necessary documents and update in its records as well in the UCC records of the respective Exchanges. In case of KRA Validated status or Registered status through Spark PWM, the Trading Member may fetch the details along with the necessary documents from the KRA record and display the said details for confirmation of the client and updation in its record. If there is change, then Spark PWM shall update the UCC records of Exchanges as well as KRA. If client has confirmed that there is no change, the Spark PWM shall maintain the verifiable logs of the same.

• Notwithstanding anything contained above, in case a client seeks re-activation then Spark PWM shall verify client status as per KRA and if the client status as per KRA is not validated (i.e. "On hold"/"Rejected"/"Registered" through other intermediary, etc.) then Spark PWM shall seek basic details like Address, Mobile number, Email ID, Bank/DP account, income, etc. along with the necessary documents as required by KRA and upload the same to KRA to ensure validated/registered status as per KRA before permitting client to trade on the Exchanges. The Operations team, upon verifying at its end, may activate client's trading code in the Trading System and UCC data base of Stock Exchanges and inform the client or its RM. 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 stock exchanges prior to execution of trades.

Reporting of client funds and securities

Details of Inactive/ Dormant accounts having NIL balances are required to be included in the regulatory submissions to Stock Exchanges.

General

The board of Spark PWM Private Limited shall undertake an Annual review of the Policy

Spark PWM shall also ensure adequate due diligence of the client on an ongoing basis (including, but not limited to, doing Re-KYC) in compliance with the provisions of the PMLA guidelines issued from time to time and in accordance with its respective KYC policies.

Midas +
Equities and Research

<u>**Annexure**</u>

Undertaking for reactivation of Equity trading account

Spark PWM Private Limited   Date : _____
No. 1- 3rd Floor,
First Crescent Park Road,
Gandhi Nagar,
Adyar,
Chennai 600 020,

Dear Sir/Madam,

I/We, currently have a Trading account No. _____ with Spark PWM Private Limited and wish to inform that my/our trading account has been inactive due no activity for a continuous 24 months. However, I/We am/are desirous to start trading again through the account maintained with Spark PWM Private Limited. Accordingly, we request you to kindly reactivate my account. My/Our details are as under:

KYC Details	Particulars
Client Name	
PAN	
Mobile no.	
Email	
Address	

PART A	Signature
I/We hereby declare that there are no changes to my KYC details, which I/ we provided to you at the time of account opening.	
PART B	**Signature**
I/ We hereby declare that there is/are change/s to my KYC details for which I/we have share necessary documents.	

6

ATTESTATION / FOR OFFICE USE ONLY

Details	KYC Verification with Original carried out by	In person verification done by
Name of the Employee		
Employee Code		
Designation of the Employee		
Date		
Signature		