

THE FIRST CUSTODIAN FUND (INDIA) LTD.



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Policy for Inactive/Dormant Client Accounts

Definition:

As per Exchange guidelines in case of trading account, the term inactive/ dormant account refers to such account wherein no trades have been carried out for continuous 12 (Twelve) months across all Exchanges.

Policy:

A) Treatment for handling Inactive/dormant accounts:

1-The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' in UCC database of the respective Exchange and Back Office simultaneously.

2- All the accounts marked as "INACTIVE/DORMANT" will be monitored periodically by KYC/ops to avoid unauthorized transactions in the account.

3- Regulators may initiate appropriate disciplinary action in case if any trades are executed in any account flagged as 'Inactive'.

4- Once the code is deactivated with Dormant flag, trading code is removed from Trading terminal i.e client cannot trade, unless client start reactivation process

5- In case if client initiate rekyc, system check client PAN Aadhar linking status and system will push the data to respective Exchange to activate UCC. However, In case client is not KRA compliant Exchange does not allow client to trade. In such cases, clients are being communicated with KRA noncompliant status along with KRA validation link to initiate validation.

6- Actual settlement of fund shall be done as per norms/ guidelines provided by the Exchanges/ SEBI from time to time.

7. The clients account would be reactivated only after undertaking proper due diligence process and fulfillment of such conditions as may be deemed fit, in the cases where the account has been freeze/deactivated. Fresh documentation, due diligence and IPV is to be carried out where the client is coming for reactivation after a period of 1 year of being flagged as inactive.

8. In case a client seeks re-activation before a period of 1 year of being flagged as inactive, while reactivating the client, KYC DEPARTMENT will collect the basic details of such client like Address, Mobile number, Email ID, Bank/DP account and will check if these are updated in its records as well in the UCC records of the Exchange. In case of any changes, necessary documents shall be called upon.

9. KYC DEPARTMENT will exercise appropriate due diligence of the client on an ongoing basis in compliance with the provisions of the PMLA guidelines issued from time to time and in accordance with respective KYC policies.