

POLICY FOR CLOSURE OF CLIENT TRADING ACCOUNTS

This is an internal policy of Investsmart Stock brokers Pvt.Ltd. for closure of client trading accounts

Company may close/deregister a client on happening of any one of the activity mentioned below

- i) On the request of the client in writing , the client account can be closed provided the client account is settled in full.
- ii) On account of any action taken by SEBI / Stock Exchanges / any other authority against the clients or its partners/ promoters/ directors/ authorized persons or they are debarred from accessing the securities market.
- iii) If client account is non-operating from last two years.
- iv) On Written request from Branch, Authorized Person, Sub-Broker with the reason of closure.
- v) If the action of the client are prima facie illegal/improper or such as to manipulate the price of any securities or disturb the normal/proper functioning of securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.
- vi) If there is any commencement of a legal process against the client under any law in force;
- vii) On the death/lunacy or other disability of the Client;
- viii) If the client being a partnership firm, has any steps taken by the Client and/or its partners for dissolution of the partnership;
- ix) If the Client suffers any adverse material change in his/her/its financial position or defaults In any other agreement with the Stock broker;
- x) If there is reasonable apprehension that the Client is unable to pay its debts or the Client has admitted its inability to pay its debts, as they become payable;
- xi) If the Client is in breach of any term, condition or covenant of Client Registration Agreement;

- xii) If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security;
- xiii) If a Receiver, Administrator or Liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Client.
- xiv) If the Client have taken or suffered to be taken any action for Its reorganization, liquidation or dissolution;
- xv) If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;
- xvi) If any covenant or warranty of the Client is incorrect or untrue in any material respect.

Company will intimate the client about such closure of account

REMARK : IF THE REQUEST FOR OPENING OF ACCOUNT IS RECEIVED FROM THE CLIENT WHOSE ACCOUNT IS PREVIOUSLY CLOSED AT OUR OFFICE, FRESH SET OF DOCUMENTS TO BE OBTAINED AND SANCTION FOR OPENING THE ACCOUNT TO BE OBTAINED FROM APPROPRIATE AUTHORITY.

PROCEDURE TO BE ADOPTED FOR CLOSURE

On receipt of the request of closure of account or on happening of any acts mentioned in the policy for closure of account, the Company will perform the following procedure.

1. The Client Account in all segments to be checked in respect of outstanding financial + Delivery + Sauda outstanding.
2. Sheet of position in all the segment to be prepared or written on application itself.
3. If there is credit or zero balance & no negative balance the application is to be sent to appropriate authority for sanction. If there is credit balance in one segment and debit balance in other segment than appropriation request has to be obtained from client or appropriate authority.
4. On receipt of sanction the Client Registration form to be taken out from the file with the replacement with a paper on which account no. & remark account closed is mentioned
5. The account to be closed on Shilpi or accounting software. If closure provision is not available the account name to be suffixed with (ACCOUNT CLOSED) and account should be disabled. And move to file folder to be unticked
6. UCC on active segment/exchanges to be modified to inactive . No deletion to be made for UCC
7. The remark “ ACCOUNT CLOSED ON _____to be pasted on the Client Registration Form and the Form should be filed in separate file ‘ACCOUNT CLOSED KYC’ with the Serial No of form or client. The documents received for the closure viz. Application, Sanction etc to be attached to form.
8. After closure all the receivable of client to be transferred alongwith the information of closure