Inactive Client Policy – Ver01

A) IL&FS Securities Services Limited (ISSL), registered as Professional Clearing Member, currently provides Clearing and Settlement Services on the Equity Derivatives Segment and Currency Derivatives Segment of the following Exchanges :

1) Equity Derivatives Segment of the National Stock Exchange of India (NSE)
2) Equity Derivatives Segment of the Bombay Stock Exchange Limited (BSE)
3) Currency Derivatives Segment of the National Stock Exchange of India (NSE)
4) Currency Derivatives Segment of the MCX Stock Exchange Limited (MCXSX)
5) Currency Derivatives Segment of the United Stock Exchange Limited (USE)

B) ISSL's clientele, as a Clearing Member of the aforementioned Exchanges / Segments, consists of Trading Members ("TMs") and direct Constituents, also known as Custodial Participants ("CPs")

1) A TM is a registered Member of the respective Exchange and is regulated by this Exchange and the Regulator of this Exchange

2) A CP is a client who trades through one or multiple TM(s) of the Exchange but has appointed ISSL as his Clearing Member (CM)

C) Activation

Both, the TM and the CP are marked as 'Active' in the backoffice systems once the Empanelment Documentation has been completed, the Credit Approval Memorandum (CAM) has been approved by the Management and the minimum amount of collateral has been received

D) Deactivation

1) Trading Member

The circumstances when a TM would be marked as 'Inactive' in the backoffice systems are :

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a) The TM has sought Temporary Deactivation of his membership from the respective Exchange

b) The TM has voluntarily asked ISSL to mark him as Inactive in order to restrict his Dealers from executing any trades

c) The TM has not traded for a continuous period of 180 days

d) ISSL shall inform the TM about the deactivation in writing

2) Custodial Participant

A CP is marked as 'Inactive' in the backoffice systems when :

a) The CP is yet to complete the empanelment process

b) The CP has asked for deactivation of his CP Code

c) The CP has not traded for a continuous period of 180 days

d) ISSL shall inform the CP about the deactivation in writing

E) Return of Assets

Subject to the following, ISSL shall return the client's assets within a period of five working days after retaining the minimum all time margin requirement (as per the CMTM / CMCP Agreement) :

a) Trading Member

i) The respective Exchange having accepted / approved his request for the temporary deactivation of his membership

ii) The said Exchange having released / freed the Security Deposit placed by ISSL on this TM's behalf

iii) The TM having settled all pending / outstanding amounts due to ISSL

b) Custodial Participant

i) From the date of the Exchange having deactivated / cancelled his CP Code

ii) The CP having settled all pending / outstanding amounts due to ISSL

F) Reactivation

Incase a client (TM or CP) wants to reactivate his membership / account :

1) The TM / CP would be required to :

a) Give a letter to ISSL (PCM) to that effect

b) Submit the latest KYC and financial documents

c) Submit the requisite collateral

2) ISSL would be required to :

a) Check the websites of the respective Regulator, respective Exchange and that of UNSC for any restrictions on / action against the client

b) Verify the freshly submitted KYC documents with the originals

c) Communicate the reactivation to the client