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Client Dormant or Inactive Account Policy

1. Objective

The objective of this policy is to define a compliant framework for identifying, flagging, and reactivating dormant or inactive trading accounts in accordance with regulatory guidelines prescribed by NSE, BSE, MCX, NCDEX and SEBI, and other relevant authorities.

2. Definition of Inactive Trading Account

A trading account shall be classified as **inactive** if, in the last **24 (twenty-four) months**, the client has not carried out any of the following activities through the same Trading Member:

- Trading in any segment across any exchange (Equity, Derivatives, Currency, Commodities, etc.)
- Participation in OFS, buy-back, or open offer
- Successful application/subscription to IPOs, Sovereign Gold Bonds (SGBs), Mutual Funds (including SIPs) via the exchange platform
- Modification/updation of email ID, mobile number, or address in the KYC, uploaded to KRA and validated/registered

3. Treatment of Inactive Accounts

a. Accounts meeting the inactivity criteria shall be flagged as 'Inactive' in the Unique Client Code (UCC) database of all relevant exchanges.
b. Clients flagged as inactive will not be permitted to trade unless their account is reactivated as per prescribed procedure.
c. Communication to clients before flagging their account as inactive is permitted; however, no communication shall urge or pressure clients to initiate trades solely to avoid inactivity.
d. For clients already flagged inactive as per older guidelines but active under the revised definition, their status shall be updated to 'Active' in the UCC database.

4. Reactivation of Inactive Accounts

Upon a client's request for reactivation, the following steps shall be undertaken:

a. **IPV/VIPV** (In-Person Verification or Video In-Person Verification) must be conducted in accordance with SEBI's Master Circular on KYC dated October 12, 2023.
b. The member shall confirm whether any client details have changed (e.g., address, email, mobile, bank/DP account, income). If yes, updated documents must be obtained and records updated accordingly.
c. If KRA status is not validated (e.g., "On Hold", "Rejected", or "Registered" via another

intermediary), the member shall obtain complete KYC documents and upload them to KRA to ensure a validated/registered status before enabling any trades.
d. If there is no change in details, the member must maintain verifiable logs of the client's confirmation.

5. Return of Client Assets

a. Members shall ensure settlement of client accounts on a **monthly or quarterly** basis, as per client preference.
b. If the client is untraceable or account details are unavailable, reasonable efforts must be made to locate the client and maintain an **audit trail** of such efforts.
c. In such cases, **unsettled funds must be upstreamed to Clearing Corporations** until the client is located.
d. On receipt of a valid claim, the client's account must be promptly settled, and payment/delivery made to the rightful client only.

6. Reporting Requirements

a. Trading members must update UCC records and ensure client status is accurate prior to any trading activity.
b. Inactive clients with **NIL balances** need not be included in daily submissions of Holding Statement or Collateral Segregation files.
c. **Clients with any funds or securities balance** must continue to be reported in daily submissions even if flagged as inactive.

7. Ongoing Due Diligence

Members shall ensure continuous due diligence of clients, including periodic Re-KYC, in line with SEBI's Prevention of Money Laundering (PMLA) guidelines and internal policies.

This policy is revised and approved by the Board of Partners in the meeting held on 1st September 2026 at its registered office and will be reviewed periodically for updates as per regulatory changes.

For, Eklingji Broking LLP

Partners

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M. R. Shah
DESIGNATED PARTNER

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