
JK Securities Private Limited

Version 2.1 (2022)

Treatment of Inactive/Dormant Client Accounts

Policy regarding treatment of Inactive/Dormant Client Accounts
(As per SEBI Circular no. MIRSD/SE/Cir-19/2009 dated December 3, 2009 and Circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020)

Revised policy is approved by Board of Directors in its board meeting held on

The National Stock Exchange of India Limited (NSE) vide circulars no. NSE/INSP/13606 dated Dec 03, 2009, NSE/INSP/14048 dated Feb 03, 2010, NSE/INSP/43488 dated February 10, 2020 and NSE/INSP/46506 dated December 01, 2020 had also issued guidelines and directed membersto formulate a policy of treatment of inactive accounts and implement the same.

Definition of Inactive Trading Accounts:-

A Trading account in which no transaction has been carried out for a period of more than 12 months in any registered segment shall be classified as an Inactive Account. However, if the client has traded in any segment of Equity, Derivatives, Currency and Commodity or in case a client has undertaken transaction through the JK Securities Private Limited herewith refer as JK Securities, with respect to IPO/Mutual Fund subscription and DP operations during this period, the same will be considered and will be treated as active client and will not be deactivated.

Transaction in Inactive Trading accounts:-

The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' by the JK Securities in UCC database of all the respective Exchanges and back office / front office. And transaction will be allowed only after reactivating the account as per the process laid down by the regulator.

Process of Reactivation of Account:-

In case the client becomes inactive, the account of the client shall be frozen and the client shall not be permitted to execute a fresh transaction in the account unless the client provides either of the following:

1. If Client come for reactive within a year of marking Inactive.
 - A e-mail request to reactivate the account and process the transaction. Such e-mail request shall be sent only from the e-mail id of the Client registered with JK Securities,
 - A written request to reactivate the account and process the transaction signed by the client and submitted to JK Securities,
 - Such request can also be given through online utility developed by the company in which the verification shall be made by way of OTP which shall be sent to client's registered mobile number and email id.

2. If Client come for reactivation after a year of marking Active.

A written request to reactivation along with the Fresh KYC documents also the IPV will be compulsory. Such process can also be given through online utility developed by the company in which the verification and document submission can be done online.

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'In-person' verification (IPV) of clients at the time of Reactivation: -

We will take fresh documentation and take due diligence and IPV where a client is coming for reactivation after a period of 1 year of being flagged as inactive.

Except in case a client has undertaken transaction through the Member, with respect to IPO/Mutual Fund subscription and DP operations during this period, the same can be considered and the requirement for fresh documentation, due diligence, and IPV may not be required.

Further, in the below mentioned conditions, as stipulated in SEBI circular dated April 24, 2020 bearing reference number SEBI/HO/MIRSD/DOP/CIR/P/2020/73, the requirement for undertaking an IPV shall not be required:-

- Where the KYC of the investor is completed using the Aadhaar authentication / verification of UIDAI.
- When the KYC form has been submitted online, documents have been provided through Digi locker or any other source which could be verified online.

Therefore, clients may please note that any further trading shall be allowed only after 'In-person' verification is completed as per above criteria

Return of Clients assets:-

In case we are unable to settle the client accounts due to non-availability of client's bank account and demat account details and non-traceability of client, following steps shall be taken.

- i. We will set aside the funds and securities of these clients in a separate Client Bank/Client collateral Demat account immediately.
- ii. Audit trail of UCC wise client funds transferred to/from such bank account and UCC wise /BO ID wise securities transferred to/from such demat account (as the case may be) shall also be maintained.

Review Policy:-

- This policy may be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change on account of business needs and Risk Management policy.
- The policy may be reviewed by the Compliance/Director and place the changes in policy before the Board at the meeting first held after such changes are introduced.

Note:-



- Contents of this policy shall be applicable to all the clients of JK Securities Private Limited.
- This is modified as per latest circular issued by NSE having ref no.: NSE/INSP/43488 dated 10th February, 2020 and NSE/INSP/46506 dated December 01, 2020, BSE 20200210-47 dated 10th February, 2020 MCX Circular no.: MCX/INSP/087/2020 dated 11th February, 2020 regarding Inactive Trading accounts.

For, JK Securities Private Limited

Mr. Pranav Patel
Managing Director

