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JK Securities Private Limited

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Version 2.2 (2024)

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Treatment of Inactive/Dormant Client Accounts

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**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 Nov -05-24**

*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, NSE/INSP/46506 dated December 01, 2020 and NSE/INSP/64718 dated October 25, 2024 along with other exchanges have issued guidelines and directed members to formulate a policy of treatment of inactive accounts and implement the same.*

**Definition of Inactive Trading Accounts:-**

A Trading account wherein any of below mentioned activities has not been carried out by client since last 24 (Twenty-Four) months shall be classified as an Inactive Account.

Trading or participation in OFS/buy-back/Open Offer across any of the exchanges/segments\* of the exchanges through the same Member or

Cash/Equity Derivative/ Currency Derivative/ Commodities Derivative/EGR /Debt/Online Bond Platform/ Execution Only Platform /Any other segment as may be allowed by SEBI/stock exchanges from time to time.

Transaction in nature of applying/subscribing IPOs (where the IPO bid is successful & not cancelled)/SGBs/Mutual Funds (lump sum investment or investments through successful SIP installment payments) on the Mutual Fund platform of the stock exchanges through the same Member or



Modification/up dation of e-mail Id/Mobile Number/ Address in KYC record of client through the same Member and the same has been uploaded to KRA to ensure Validated/Registered status.

Due communication/notification to the clients be made prior to flagging their trading account as inactive

#### **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 freezed and the client shall not be permitted to execute a fresh transaction in the account unless the client provides/do the following

- A written request to reactivate account along with In-Person Verification/Video In-Person Verification (IPV/VIPV) as specified in the SEBI Master Circular on KYC dated October 12, 2023.
- If there is any change in basic details such as Address, Mobile number, Email ID, Bank/DP account, income, etc. as registered with us, seek the updated details along with the necessary documents and update same in back office records as well in the UCC records of the respective Exchanges
- In case of KRA Validated status or Registered status through JK securities, fetch the details along with the necessary documents from the KRA record and display the said details for confirmation of the client and updation in our record. If there is change, then update the UCC records of Exchanges as well as KRA. If client has confirmed that there is no change, we will maintain the verifiable logs of the same

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- If the client status as per KRA is not validated ( i.e. "On hold"/"Rejected"/"Registered" through other intermediary, etc.) then seek basic details like Address, Mobile number, Email ID, Bank/DP account, income, etc. along with the necessary documents as required by KRA and upload the same to KRA to ensure validated/registered status as per KRA before permitting client to trade on the Exchanges.
- Once an inactive trading account is re-activated as per the procedure prescribed the computation of next 24 months for the purpose of identifying client as inactive in the subsequent period shall be considered from the date of last reactivation of trading account

**‘In-person’ verification(IPV)of clients at the time of Reactivation: -**

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.

**Return of Clients assets:-**

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

- i. We shall make all efforts to trace the clients to settle client account and maintain an audit trail for such efforts made for tracing such clients and settling their account.
- ii. We will set aside the funds of these clients in a separate Client Bank account immediately.

Such unsettled funds be up stream to the Clearing Corporations.

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- iii. In case of receipt of any claims from such clients, we shall settle the accounts immediately after doing required due diligence
- iv. Audit trail of UCC wise client funds transferred to/from such bank account 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/64718 dated 25<sup>th</sup> October, 2024, BSE : 20241025-25 dated 25<sup>th</sup> October, 2024, MCX : MCX/INSP/716/2024 dated 29<sup>th</sup> October, 2024 NCDEX : NCDEX/COMPLIANCE-082/2024 dated 28<sup>th</sup> October, 2024 regarding Inactive Trading accounts.

**For, JK Securities Private Limited**



**Mr. Pranav Patel**  
**Director**

