

Dormant Account Policy

Objective:

The objective of the policy is to appropriately deal with the Inactive/dormant clients, where clients have not traded for more than 24 continuous months.

The policy is also applicable for accounts which have been marked inactive on account of Rules, Bye laws, circulars and guidelines issued by SEBI, Exchanges and Internal Risk Management Policies.

Background:

This has reference to Exchange circulars download ref. no. NSE/INSP/43488 dated February 10, 2020, NSE/INSP/46506 dated December 01, 2020, NSE/INSP/ 49743 dated September 27, 2021 and NSE/INSP/64718 dated October 25, 2024 with respect to guidelines on Treatment of Inactive Trading Account.

Definition of Inactive Trading Account : The term inactive account refers to such account wherein any of below mentioned activities has not been carried out by client since last 24 (Twenty-Four) months:

- a) 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.
- b) Transaction in nature of applying/subscribing IPOs (where the IPO bid is successful & not cancelled)/SGBs/Mutual Funds (lumpsum investment or investments through successful SIP instalment payments) on the Mutual Fund platform of the stock exchanges through the same Member or
- c) Modification/updation 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

Procedure to handle Inactive/dormant accounts:

If there is no transaction (buy / sell) entered into by the account holder for more than 24 continuous months, the account will be marked as “INACTIVE/DORMANT”.

All the accounts marked as “INACTIVE/DORMANT” needs to be monitored carefully in order to avoid unauthorized transactions in the account. If the client wants to make the account “ACTIVE” he/she needs to submit fresh KYC along with mandatory documents required for opening account. In case there is any change in the information such as; address, mobile number, email id, bank/demat account, financial disclosure provided in KYC at the time of registration as client, the same has to be

updated in KYC form. After proper verification of client and documents submitted by client by concerned person client account mark “ACTIVE” and client allowed to trade through Zanskar Securities Private Limited.

Process for reactivation of Inactive / dormant account who is flagged as inactive for 24 continuous months, the Zanskar, while reactivating the said client, shall:

- a) Mandatorily comply with In-Person Verification/Video In-Person Verification (IPV/VIPV) requirement specified in the SEBI Master Circular on KYC dated October 12, 2023.
- b) Seek confirmation from the client if there is any change in clients’ basic details such as Address, Mobile number, Email ID, Bank/DP account, income, etc. as registered with the Member. In case of changes in any of the said details, the Member shall seek the updated details along with the necessary documents and update in its records as well in the UCC records of the respective Exchanges. In case of KRA Validated status or Registered status through same intermediary cases, the Zanskar may 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 its record. If there is change, then member shall update the UCC records of Exchanges as well as KRA. If client has confirmed that there is no change & shall maintain the verifiable logs of the same.
- c) Notwithstanding anything contained above, in case a client seeks re-activation then Zanskar shall verify client status as per KRA and if the client status as per KRA is not validated (i.e. "On hold"/"Rejected"/"Registered” through other intermediary, etc.) then the Zanskar shall 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.

Process for reactivation of Inactive / dormant account which are inactive on account of Risk Management Policies / Non Compliance as per Rules, Bye laws, Circulars and Guidelines issued by SEBI, Exchanges:

Inactive client can submit the duly signed KYC at any of the branch/main offices of trading member or office of authorized person along with the supporting documents like id, address proof, bank detail and latest Networth and income for activation of trading account.

After In-person verification of client and verification of documents submitted by client, if person in charge satisfy that KYC form and documents submitted by client is fulfill all requirement of SEBI/Exchange norms of KYC, trading account mark active subject to Rules, Bye laws, circulars and guidelines issued by SEBI, Exchanges and Internal Risk Management Policies and KYC form send to UCC department for activation of client UCC in respective exchange.