

Inactive Client Policy

1. Objective

This policy aims to define the framework for identifying, managing, and reactivating inactive trading and demat accounts in compliance with SEBI regulations. The goal is to prevent unauthorized transactions, protect client interests, and ensure proper documentation before account reactivation.

2. Regulatory Framework

This policy complies with:

- **SEBI Circular CIR/MIRSD/3/2011** dated June 13, 2011
- **SEBI Master Circular for Stock Brokers (June 2023)**
- Guidelines issued by NSE, BSE, MCX, and NSDL
- Internal control and risk management framework

3. Definition of Inactive Client

A client shall be classified as **inactive** if there is **no trading activity** (buy/sell order) in any segment of any exchange through Yashwi Securities Pvt Ltd for a continuous period of **12 months**.

Note: Inactivity in the trading account is independent of activity in the demat account.

4. Identification Process

- A system-based report is generated monthly to identify accounts with **12+ months of inactivity**.
- The compliance team verifies and updates the status in the back-office and front-office systems as "INACTIVE".

5. Action on Inactive Clients

Once classified as inactive:

- The **trading terminal access** is disabled.
- Any **unused funds** or **securities** are returned to the client upon request.
- The client continues to receive account statements and other regulatory communications.
- The **KYC and contact details** are flagged for verification before reactivation.

6. Reactivation Procedure

To reactivate an inactive trading account, the client must:

- Submit a written **Reactivation Request Form** (physical or digitally signed).
- Confirm/update their **KYC details** including:
 - PAN and Aadhaar
 - Bank account proof (cancelled cheque or statement)
 - Address/email/mobile number verification
- If applicable, submit **IPV (In-Person Verification)** as per SEBI norms.
- Provide any additional documentation as mandated by SEBI from time to time.

Reactivation is approved only after:

- Due diligence by the compliance team
- Verification of client credentials and risk profiling
- Approval from designated compliance officer

7. Dormant Account Reporting

- A log of all inactive and reactivated accounts is maintained.
- Dormant accounts with funds/securities are reviewed semi-annually.
- Periodic reporting to the exchanges or SEBI is done when applicable.

8. Demat Account Inactivity

Inactive demat accounts are governed separately as per **NSDL guidelines**. If no debit transaction has occurred in the demat account for **12 months**, it is flagged and subject to:

- Verification before allowing fresh debit instructions
- Reconfirmation of client details through CDSL/NSDL alerts

9. Closure of Inactive Accounts

If a client does not respond or chooses not to reactivate:

- The account may be marked as **Closed** after 24+ months of inactivity.
- Any remaining balance will be refunded and securities transferred, post-verification.

10. Client Communication

- Clients are informed via email/SMS before deactivation.
- Clients are guided on how to reactivate the account.
- Reactivation forms and support contact details are made available on the website and mobile app.

11. Security Measures

- No transactions are permitted in an inactive account until reactivation.
- OTP-based and 2FA authentication is used during reactivation.
- All reactivation requests are logged and auditable.


12. Review of Policy

This policy is reviewed **annually** or upon changes in SEBI/Exchange regulations.

13. Contact for Queries

Clients may contact:

 yashwico@yashwi.com

 033 - 45031976

for assistance with reactivation.