



**Allvest Securities Private Limited**

**TREATMENT OF INACTIVE TRADING ACCOUNT POLICY**



## Document Revision and Version Control

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## INTRODUCTION/ BACKGROUND

Allvest Securities Private Limited (hereinafter referred to as "ASPL" or "Company") is incorporated under the Companies Act, 2013, with Corporate Identification Number (CIN) U66120MH2025PTC440678. ASPL is registered as Stock Broker with SEBI having Registration number INZ000330839 and is registered as Trading Cum Self Clearing Member with National Stock Exchange of India Ltd and NSE Clearing Ltd. (Member Code: 90469), as a Trading Member with BSE Ltd. (Member Code:6973), as a Trading Cum Self Clearing Member with Multi Commodity Exchange of India Limited (Member Code :57650) and ASPL is also registered with SEBI as a Depository Participant having Registration No.: IN-DP-837-2026 and with NSDL having DP ID: IN304949.

## SCOPE

This Policy has been formulated pursuant to directions issued by the Securities and Exchange Board of India (SEBI) Master Circular on KYC – SEBI/HO/MIRSD/DOP/CIR/P/2023/167 dated October 12, 2023, the National Stock Exchange of India Limited (NSE) circular no. NSE/INSP/64718, and BSE Limited (BSE) notice no. 20241025/25 dated October 25, 2025 respectively, instructing Trading Members to frame a policy for the treatment of inactive trading accounts covering the time period for classification, return of client assets, and procedure for reactivation of such accounts.

## OBJECTIVE AND PURPOSE OF THE POLICY

The purpose of this policy is to put in place guidelines for handling inactive trading accounts in line with the regulatory requirements, to specify the time period for considering an account as inactive, to define the policy for return of client assets, process for reactivation of such accounts, etc.

Further, the main purpose of reclassifying the accounts as inactive is to reduce the risk of fraud in accounts. By reclassifying the accounts as active, it involves risk and hence it is required to carry out due diligence before allowing any fresh transaction through them.

## DEFINITION OF INACTIVE TRADING ACCOUNT

An account shall be classified as Inactive if none of the following activities has been carried out by the client during the preceding 24 (Twenty-Four) months:

- Trading or market participation:** Trading or participation in OFS / buy-back / Open Offer across any exchanges or segments\* through the same Member.  
\*Segments include: Cash / Equity Derivative / Currency Derivative / Commodities Derivative / EGR / Debt / Online Bond Platform / Execution Only Platform / any other segment permitted by SEBI or stock exchanges from time to time.
- Investment transactions:** Applying / subscribing to IPOs (where the IPO bid is successful and not cancelled) / SGBs / Mutual Funds (lumpsum or successful SIP instalment payments) on the Mutual Fund platform of stock exchanges through the same Member.
- KYC modification:** Modification / updation of e-mail ID / Mobile Number / Address in the KYC record of the client through the same Member, uploaded to KRA to ensure Validated / Registered status.



## FLAGGING OF INACTIVE TRADING ACCOUNTS

Accounts identified as inactive based on the criteria defined above shall be flagged as "**Inactive**" by ASPL in the UCC database of all respective Exchanges.

Prior to flagging, ASPL may send communication or notifications to clients informing them that their account is about to be classified as inactive. Such communication shall not, under any circumstance, ask or prompt clients to execute trades as a means of preventing their accounts from being flagged as inactive.

## REACTIVATION OF INACTIVE TRADING ACCOUNTS

### 1. REACTIVATION PROCEDURE

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When a client who has been flagged as inactive seeks reactivation, ASPL shall comply with the following steps:

#### **Step 1 – In-Person Verification**

- Conduct mandatory In-Person Verification (IPV) or Video In-Person Verification (VIPV) as per the SEBI Master Circular on KYC dated October 12, 2023.

#### **Step 2 – Confirmation and Update of Client Details**

- Seek confirmation from the client regarding any changes in basic details including Address, Mobile Number, Email ID, Bank / DP Account, and Income details.
- If changes are reported, obtain updated details along with necessary documents and update records in ASPL internal systems and UCC records of respective Exchanges.
- For clients with KRA Validated Status or Registered Status through the same intermediary, ASPL may fetch details from the KRA record for client confirmation. If changes are reported, update UCC records of Exchanges and KRA. If no changes, maintain verifiable logs.

#### **Step 3 – Verification of KRA Status**

- If a client's KRA status is 'On Hold', 'Rejected', or 'Registered through other intermediaries', collect basic KYC details and required documents, and upload them to KRA to ensure Validated / Registered status before permitting the client to trade.

### 2. REACTIVATION TIMER RESET

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Once an inactive trading account is reactivated as per the procedure prescribed above, the computation of the next 24-month period for the purpose of identifying the client as inactive shall commence from the date of last reactivation of the trading account.

### 3. TRANSITION CLAUSE FOR EXISTING CLIENTS

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Clients who were classified as inactive under the earlier guidelines but qualify as active under the revised guidelines (NSE/INSP/64718) may be treated as active clients for trading purposes. Allvest Securities Private Limited shall update the UCC database of the relevant Exchange to reflect the active status of all such clients.



## PROCESS TO BE FOLLOWED FOR RETURN OF CLIENT ASSETS

### 1. EFFORTS TO TRACE NON-TRACEABLE CLIENTS

If ASPL is unable to settle a client account due to non-availability of account details or the client being untraceable:

- Make all reasonable efforts to trace the client and settle their account.
- Maintain a detailed audit trail documenting all efforts made to trace the client and settle their account.

### 2. SETTLEMENT UPON RECEIPT OF CLAIMS

If a claim is received from a client whose account could not be settled:

- Immediately settle the account.
- Ensure payments or delivery of assets are made to the respective client only.

### 3. UPSTREAMING OF UNSETTLED FUNDS

ASPL shall ensure that any unsettled funds are up streamed to Clearing Corporations in accordance with applicable regulatory requirements.

## REPORTING REQUIREMENTS

- Details of inactive clients with NIL fund and securities balances are not required to be included in the daily submission of the Holding Statement to the Exchange (as per NSE/INSP/55380 dated January 25, 2023) or in the daily submission of Segregation and Monitoring of Collateral at Client level to Clearing Members / Clearing Corporations.
- Clients flagged as 'Inactive' who have fund balances or securities balances must continue to be reported in the relevant daily submissions.

## ONGOING DUE DILIGENCE AND MONITORING

ASPL shall:

- Ensure adequate due diligence of clients on an ongoing basis, including periodic Re-KYC, in compliance with PMLA guidelines and the Company's PMLA policy.
- Conduct regular monitoring of inactive accounts to ensure compliance with all regulatory requirements.
- Maintain this Policy on its website as required by SEBI and Exchange circulars.

## REVIEW

This policy will be reviewed and updated as required to incorporate any changes introduced by regulatory authorities. Additionally, it will undergo periodic reviews once in a year to ensure continued relevance, effectiveness, and alignment with current regulatory requirements and industry standards.