

# KANCO STOCK & SECURITIES PRIVATE LIMITED

**Policy on Inactive Trading Accounts  
(Effective Date: 01<sup>st</sup> February, 2026)**

**KANCO STOCK & SECURITIES PRIVATE LIMITED**

*[Handwritten Signature]*  
**DIRECTOR**

## **-POLICY ON INACTIVE TRADING ACCOUNTS**

(Framed in accordance with NSE, BSE & MCX circulars. This policy outlines the procedures for classifying and reactivating inactive trading accounts for non-institutional clients. It is not applicable to institutional clients)

### **Definition of Inactive Trading Accounts**

An inactive trading account is one in which no trades have been conducted across any exchange for a continuous period of 24 months. If a client does not trade in any segment or exchange, they are registered for within 24 months, the account will be classified as inactive and flagged as "Inactive" in both the back office and the exchange's UCC database. Once deactivated, the client cannot place orders in any trading segments.

### **1. Reactivation of Inactive Accounts**

#### **Category 1: Reactivation within 24 months (No IPV Required)**

Clients seeking reactivation within 24 months of their account being flagged as inactive can choose one of the following methods:

##### **a. Email Submission**

send a reactivation request from the registered email ID using the specified format (Annexure-1A) to [dp@kancosecurities.in](mailto:dp@kancosecurities.in).

##### **b. Physical Submission**

submit a signed modification form with self-attested supporting documents and the reactivation form (Annexure-1B). Optional: Clients may opt for e-KYC reactivation without submitting physical documents. Illustration: If an account is marked inactive on 1st January 2020, and the client seeks reactivation on 25th October 2020 (or any date before 31st December 2021), this process applies.

#### **Category 2: Reactivation after 24 months (IPV Required)**

For accounts inactive for more than 24 months, the following documentation is required:

##### **a. No Change in KYC Details**

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1. Fresh documentation, including:

\*Self-attested address proof

\*Self-attested PAN card

\*Reactivation form (Annexure-2A)

2. In-Person Verification (IPV) conducted by a KSSPL employee.

## 2. Change in KYC Details

1. A signed modification form with self-attested supporting documents, along with the reactivation form (Annexure-2B).

2. IPV conducted by a KSSPL employee.

Illustration: If an account is flagged inactive on 1st January 2020, and the client seeks reactivation on or after 2nd January 2022, this process applies. Note: If the client has conducted transactions through KSSPL (e.g., IPO/Mutual Fund subscriptions or DP operations) during the inactivity period, fresh documentation, due diligence, and IPV may not be required.

Optional: Clients may opt for e-KYC reactivation instead of submitting physical documents.

## 3. Transactions in Inactive Accounts

Trades executed in inactive accounts may incur penalties from exchanges. Both the client and employees involved in such transactions will be subject to appropriate penalties.

## 4. Exchange Compliance

The accurate status of client codes must be updated in the UCC database before executing any trades.

## 5. Return of Client Assets

Inactive clients' assets must be settled on a monthly or quarterly basis as per their preference. Unsettled securities or funds due to non-traceability of clients will be transferred to the Client Bank or Client Collateral Demat account. A proper audit trail of client follow-ups must be maintained.

## 6. Exemption from Reporting

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Members are exempt from reporting the weekly securities holding and the monthly upload of client funds and securities balances for inactive accounts.

## 7. Closure of Inactive Accounts

Accounts may be closed in the following scenarios:

### 1. Client-Initiated Closure:

Upon receiving a written request from the client to close their account, provided all dues are cleared.

### 2. Company-Initiated Closure:

The company may initiate closure by issuing a 30-day notice to the client, following which outstanding dues, if any, will be recovered.

**For, Kanco Stock & Securities Private Limited**



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