

## ELITE WEALTH LTD — POLICY ON INACTIVE TRADING ACCOUNTS

### 1. Objective

This policy is formulated in accordance with the NSE Circular No. NSE/INSP/64718 dated October 25, 2024, and corresponding SEBI guidelines on the *Treatment of Inactive Trading Accounts*. The purpose is to define the process for identifying, flagging, and reactivating inactive client accounts to ensure compliance and safeguard client interests.

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### 2. Definition of an Inactive Trading Account

A trading account shall be classified as **Inactive** if none of the following activities have been carried out by the client for a continuous period of **24 months** across any exchange/segment through Elite Wealth Ltd:

- Trading or participation in OFS, Buy-back, or Open Offer.
  - Transactions relating to IPOs (where the bid is successful), Sovereign Gold Bonds (SGBs), or Mutual Funds (lumpsum/SIP) on exchange platforms.
  - Modification or updation of the client's **email ID, mobile number, or address** in KYC records through Elite Wealth Ltd and updated with the KRA.
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### 3. Identification and Flagging of Inactive Accounts

- Elite Wealth Ltd will periodically review all client accounts to identify inactivity as per the above definition.
  - Identified accounts shall be **flagged as "Inactive"** in the UCC database of all respective exchanges.
  - A prior communication will be sent to clients informing them of impending inactivation. Such communication will be purely informational and **will not encourage clients to trade** solely to avoid inactivation.
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#### 4. Reactivation Procedure

If a client whose account is flagged as inactive wishes to resume trading, the following procedure shall be followed:

1. **In-Person Verification (IPV/VIPV):**

The client shall undergo IPV or Video IPV as per SEBI KYC Master Circular dated October 12, 2023.

2. **Confirmation of Client Details:**

The client must confirm or update details such as address, email ID, mobile number, bank/DP account, and income range.

- If there are changes, supporting documents must be provided and the UCC and KRA records updated.
- If no change is reported, verifiable confirmation logs will be maintained by the Member.

3. **KRA Status Verification:**

If KRA status is “On Hold”, “Rejected”, or “Registered” through another intermediary, the client’s KYC details shall be revalidated and uploaded to KRA to ensure a “Validated/Registered” status prior to reactivation.

4. **Reactivation Date:**

Once reactivated, the 24-month inactivity computation cycle shall restart from the **date of reactivation**.

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#### 5. Reporting and Compliance

- Accounts with **nil balances** need not be reported in the daily submissions of Holding Statements or Collateral Monitoring files.
  - Accounts with **funds or securities balances** must continue to be reported even if flagged as inactive.
  - Elite Wealth Ltd shall ensure **ongoing due diligence** under PMLA requirements, including periodic Re-KYC as necessary.
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## **6. Settlement and Return of Client Assets**

- Client accounts will be settled monthly or quarterly, as per the client's preference.
  - If settlement cannot be completed due to client non-traceability or invalid account details, Elite Wealth Ltd will:
    - Make documented efforts to trace and settle the client's funds/securities.
    - Maintain an **audit trail** of such efforts.
    - Upon receipt of a valid claim, release funds/securities immediately to the rightful client.
    - Unsettled funds shall be **upstreamed to the Clearing Corporation** until settlement.
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## **7. Record Maintenance**

Elite Wealth Ltd will maintain appropriate logs, communication records, IPV proofs, and audit trails for all actions undertaken under this policy for a minimum of **eight years** or as required by SEBI/NSE.

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## **8. Review and Amendment**

This policy shall be reviewed **annually** or whenever regulatory amendments are issued by SEBI/NSE, whichever is earlier, and updated accordingly.

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**Authorized by:**  
**Compliance Department**  
Elite Wealth Ltd  
(Registered Stock Broker – NSE,BSE,MCX &NCDEX)

Last Reviewed 25.07.2025