INDUSIND SECURITIES LIMITED

DORMANCY POLICY

Version 4.5

Effective from January 2025

(Policy to be approved by the Board of Directors)
(Policy last reviewed by the Board of Directors at meeting held on May 05, 2026)

Owner: Product Management (Broking)

IndusInd SECURITIES FORMERLY RELIANCE SECURITIES

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1. Introduction

IndusInd Securities Limited (ISL) is a SEBI Registered Market Intermediary engaged in retail broking business in equities and currency market. The SEBI Circular which has a mention about the framing of dormancy policy by Intermediaries issued on December 03, 2009, forms the basis of formulating and implementing this, Policy.

2. Scope of the Policy

The scope of this policy is to formulate clear guidelines for identification, suspension and reactivation of client codes which has been categorized as dormant / inactive as per the RSL Dormancy policy.

3. Definitions & Abbreviations

Client	:	A person (including a corporate body) who has been enrolled as a client of RSL under an agreement/contract.
Dormant/ Inactive Accounts	:	An account where there have been no transactions for defined period shall be defined as dormant accounts.
Suspended Accounts	:	An account which has been disabled so that no transaction is allowed is termed as suspended accounts.
Management	:	Management of RSL
Risk Management Committee	:	A Committee appointed by the Board of Directors to mitigate risk factors.
RSL/The Company	:	IndusInd Securities Limited, a Company incorporated under the Companies Act 1956, and authorized by SEBI to act as Stock Broker under SEBI (Stock-Brokers and Sub-Brokers) Regulations, 1992.The company is SEBI registered Stock Broker and member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Limited (MCX), National Commodity and Derivatives Exchange Limited (NCDEX)and also a depository participant of Central Depository Services Limited (CDSL)and National Securities Depository Limited (NSDL)
SEBI/ the Regulator:		The Securities Exchange Board of India

4. **Dormancy / Inactive criteria**

Definition of Inactive Trading Account: In case of 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.

- 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.
- 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
- Modification/updating 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.

Depository Accounts:

All other transactions like pledge, demat, remat, corporate action debit/credit etc. shall not be considered for the identification of dormant accounts. The DP Back Office system shall throw up an alert whenever a DIS is processed in the dormant accounts so that the user shall be required to make a call to the client on a recorded line and confirm that the said instruction has been given by the client himself/herself. A letter to this effect shall also be sent to the client at EOD on the day of processing the instruction.

5. **Identification & suspension**

The process of identifying the dormant accounts based on the above-mentioned criteria shall be run daily / weekly /monthly basis post the EOD activities for the day. Accounts identified as dormant shall be flagged as dormant in the trading system, back-office system as well as in the UCC database.

Intimation to the client in the form of an email (Appendix – B) and SMS (Appendix – A) shall be sent to the client informing that the client account has been made inactivate due to the dormancy.

6. Reactivation Process

In case the client who is flagged as inactive seeks re-activation of the trading account, the Trading Member, while reactivating the said client, shall:

• 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.

• 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 Trading Member 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, the Member shall maintain the verifiable logs of the same.

• Notwithstanding anything contained above, in case a client seeks re-activation then member 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 member 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.

Mode of reactivation:

Offline Process: For activation of such accounts, clients shall be required to submit a written request to the customer support at the branches along with the copy of PAN. A standard format of the "Trading Account Reactivation" letter shall be available at all the branches and also on the website.

On receipt of the Trading Account Reactivation" letter from the customer, the customer support executive shall verify the signature of the trading account holder. If the signature is matched, then a QRC shall be generated for the same and the request letter's scanned image is also loaded into the CRM system.

The front office operations should keep checking such requests at regular intervals and activate the clients trading account in the front office as well as back office with due remarks. The documents pertaining to the Trading Account Reactivation shall be stored centrally and separately.

Online Process: Clients shall also be given an option to reactivate the accounts which are marked as Dormant. Whenever dormant clients try to login, the system shall open a page with a message that the account is inactive due to dormancy and shall be prompted to enter additional details to reactivate the same.

7. Treatment of balance / Securities of Dormant / Inactive clients

- The Trading Member shall not be required to upload the details of such inactive clients having NIL balances in daily submission of Holding Statement to the Exchange as prescribed in NSE Circular NSE/INSP/55380 dated January 25, 2023 and daily submission of Segregation and Monitoring of Collateral at Client level to Clearing Members/Clearing Corporations. However, details of the clients having funds or securities balances shall be reported (daily submission of Segregation and Monitoring of Collateral at Client level file reporting to Clearing Corporations in case of funds and daily submission of Holding Statement to the Exchange in case of securities) even if their UCC has been flagged as 'Inactive'.

- Notwithstanding anything contained above, the Member shall also ensure adequate due diligence of the client on an ongoing basis (including, but not limited to, doing Re-KYC) in compliance with the provisions of the PMLA guidelines issued from time to time and in accordance with their respective KYC policies.

- Return of Clients assets: Members are required to ensure that all client accounts are settled on monthly or quarterly basis (as per the client preferences) in the manner prescribed from time to time. In case a member is unable to settle the client accounts due to non-availability of client's account details and non traceability of client, Members are advised to make all efforts to trace the clients to settle client account and maintain an audit trail for such efforts made for tracing such clients and settling their account. In case of receipt of any claims from such clients, members are advised to settle the accounts immediately and ensure that the payment/delivery is made to the respective clients only. Member shall ensure to keep such unsettled funds up streamed to Clearing Corporations.

8. Amendment / Revision

The dormancy policy shall be reviewed on an annual basis and amendments if required shall be carried out. However, the management at its discretion may review the same more frequently as may be deemed fit and necessary for this purpose.