

## Inactive Account Policy

### 1. Objective

This Policy Document intends to lay down the process for making the client account dormant and reactivation of client account in order to prevent client accounts from unauthorized trading and thus mitigate client complaints.

### 2. Applicability

This Policy shall apply to Mintcap Brokers Private Limited (hereinafter referred to as "MINTCAP")

### 3. Implementation

#### 3.1 Definition of Inactive Trading Account

**In case of trading account, the term inactive account refers to such account wherein any of below mentioned activities have not been carried out by the client since last 24 (Twenty-Four) months through MINTCAP:**

- Trading or participation in OFS/buy-back/Open Offer across any of the exchanges/segments\* of the exchanges through MINTCAP 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 MINTCAP or;
- Modification/updation of e-mail Id/Mobile Number/Address in KYC record of client through MINTCAP and the same has been uploaded to KRA to ensure Validated/Registered status.

Such trading account of client will be termed as Inactive trading account.

#### 3.2 Process of Client Deactivation

Mintcap may send the communication/notification to the clients prior to flagging their trading account as inactive however such communication/notification should not ask the clients to trade in order to prevent their accounts from being flagged as inactive.

The accounts identified based on the above criteria shall be flagged as 'Inactive' in back office and UCC database of all the respective Exchanges.

#### 3.3 Client settlement in case of Inactive account

In the case of clients who have credit balance and who are flagged as Inactive, the funds of such clients shall be paid out during monthly/quarterly payout of funds as per exchange guidelines. The details of such inactive clients having NIL balances need not be reported in the daily submission

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of Segregation and Monitoring of Collateral at Client level to Clearing Members/Clearing Corporations. However, details of the clients having funds or securities balances retained / available with Mintcap 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 retained/ available with Mintcap) even if their UCC has been flagged as 'Inactive'.

In case Mintcap is unable to settle the client accounts due to non-availability of client's bank account and demat account details and non-traceability of client, Mintcap will make all efforts to trace the clients to settle their funds and securities lying with them and maintain an audit trail for such efforts made for tracing such clients and settling funds and securities of such clients. In case of receipt of any claims from such clients, Mintcap will settle the accounts immediately and ensure that the payment/delivery is made to the respective clients only.

Further, in cases where Mintcap is unable to trace such clients in spite of all efforts being taken, then the following steps and procedure will be carried out:

- i. The funds and securities of these clients in such an account and further the same will duly be upstreamed to the Clearing Corporation
- ii. Maintain audit trail of UCC wise client funds transferred to/from such bank account and UCC wise / Beneficiary (BO) ID wise securities transferred to/from such demat account (as the case may be).
- iii. In case of receipt of any claims from such clients, Mintcap will settle the accounts immediately and ensure that the payment/delivery is made to the respective clients only after due diligence and verification.
- iv. Unidentified funds are upstreamed to the Clearing Corporation, the Unidentified amounts have been transferred /allocated to the new back office UCC code i.e., "SUSPE1234N."

### 3.4 Client Reactivation

To reactivate the client trading account, the following mandatory checks / confirmations shall be carried out through a verifiable and retrievable mode:

#### (i) Client Screening

The client requesting reactivation request would be screened in relation to anti money laundering reviews, shell companies lists and other precautionary checks through Trackwizz system and any other systems in place.

#### (ii) Due Diligence/ documents

In case the client who is flagged as inactive seeks re-activation of the trading account, following process shall be followed:

- a. 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.
- b. 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

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with MINTCAP. In case of changes in any of the said details, updated details along with the necessary documents shall be obtained and updated in the records as well in the UCC records of the respective Exchanges. In case of KRA Validated status or Registered status through same intermediary cases, details along with the necessary documents from the KRA record may be fetched and display the said details for confirmation of the client and updation in its record. If there is change, UCC records of Exchanges as well as KRA shall be updated. If client has confirmed that there is no change, the verifiable logs of the same shall be maintained. 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.

- c. It shall also be ensured that 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.

### (iii) Updation of Status

The Inactive accounts identified based on the above criteria shall be flagged as 'Active' by the MINTCAP in Backoffice and UCC database of all the respective Exchanges.

### (iv) Identification of inactive accounts after reactivation:

Once an inactive trading account is re-activated as per the procedure prescribed above, the computation of next 24 months for the purpose of identifying client as inactive in the subsequent period shall be considered from the date of last reactivation of trading account.

## 4. Responsibility

The Head KYC of equivalent of Mintcap Brokers Private Limited shall be responsible for the implementation and supervision of this Policy.

This Policy shall be reviewed as and when there are any regulatory changes are introduced or as and when it is found necessary to change the Policy due to business needs. However, Policy shall be reviewed at least annually.

The Board of the Mintcap Brokers Private Limited will be approving authority for the Policy.

## 5. Policy Review

This Policy shall be reviewed as and when there are any regulatory changes are introduced or as and when it is found necessary to change the Policy due to business needs. However, Policy shall be reviewed at least annually. The Board of the Mintcap Brokers Private Limited will be approving authority for the Policy.

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### 6. Deviation to Framework

Deviations shall be approved by Designated Director/ Head Compliance/ Head Operations or equivalent and Compliance officer of Mintcap Brokers Private Limited.

### 7. Power to Remove Difficulties

In order to remove any difficulties in the application or interpretation of this Policy, the Compliance Officer of Mintcap Brokers Private Limited shall have the power to issue clarifications.

### 8. Effective Date

This Policy shall be effective from July 14, 2025 .