AMBIT BROKING SERVICES PRIVATE LIMITED (ABSPL)

POLICY REGARDING TREATMENT OF DORMANT/INACTIVE CLIENTS

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Table of Contents

Section I - Purpose: 4

Section II - Definition of Inactive Trading Accounts: 4

Section III - Treatment of Inactive Trading Accounts 4

Section IV- Reactivation of Inactive Clients: 5

Section V - Return of Clients Assets: 6

Section VI- Reporting of client funds and securities: 6

Section VII – Review of Policy: 6

Section VIII -Regulatory circulars reference for framing the policy 6

Section I - Purpose:

This policy defines the treatment of Dormant/Inactive accounts of the clients maintained with Ambit Broking Services Private Limited (ABSPL), as per the SEBI/Exchange rules and regulation issued time to time.

Section II - Definition of Inactive Trading Accounts:

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 ABSPL or

*Segments shall mean 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 ABSPL or

- Modification/updation of e-mail Id/Mobile Number/Address in KYC record of client through ABSPL and the same has been uploaded to KRA to ensure Validated/Registered status.

Section III - Treatment of Inactive Trading Accounts

The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' by ABSPL in UCC database of all the respective Exchanges across all segments.

Details of inactive clients having NIL balances will not be reported 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) by ABSPL even if their UCC has been flagged as 'Inactive'.

Section IV- Reactivation of Inactive Clients

Any further trading by inactive client should be allowed only after undertaking sufficient due diligence (including IPV/VIPV) and obtaining the updated information related to KYC from the concerned Client.

The concerned Team of ABSPL shall be required to undertake the fresh documentation, due diligence and In-Person Verification (IPV/VIPV) where a client is coming for reactivation at any time.

Except In the below mentioned conditions, the requirement for undertaking an IPV shall not be required.

I. Where the KYC of the client is completed using the Aadhaar authentication / verification of UIDAI.

II. When the KYC form has been submitted online, documents have been provided through Digi locker or any other source which could be verified online.

ABSPL concerned team shall also ensure that appropriate due diligence of the client is conducted on an ongoing basis in compliance with the provisions of the PMLA guidelines issued from time to time and in accordance with their respective KYC policies.

Section V - Return of Clients Assets:

All client accounts shall be settled on monthly or quarterly basis (as per the client preferences) in the manner prescribed from time to time.

In case of non-settlement of the client accounts due to non-availability of client's bank account /or non-traceability of client, efforts shall be made to trace such client(s) to settle their funds, an audit trail shall be maintained for such efforts made for tracing such clients and settling funds of such clients.

In case of inability to trace such clients even after taking all possible efforts, the fund shall be upstreamed to clearing corporation.

Section VI- Reporting of client funds and securities:

Details of clients having funds and securities balances shall be reported to the Exchanges even if their UCC has been flagged as "Inactive".

Section VII – Review of Policy:

The policy will be reviewed within the stipulated timeline as mandated by the Regulators from time to time.

Section VIII -Regulatory circulars reference for framing the policy

SEBI circular MIRSD/SE/Cir-19/2009, dated December 3, 2009, NSE Circular NSE/INSP/13606, dated, December 03, 2009, NSE/INSP/14048 dated Feb 03, 2010 NSE/INSP/43488 dated February 10, 2020 and NSE/INSP/46506 dated December 1, 2020. BSE 20091204-7, dated December 04, 2009, 20100203-30 dated February 03, 2010; BSE Notice no. 20200210-47 dated February 10, 2020 and 20201201-27 dated December 1, 2020, NSE Circular NSE/INSP/64718 dated October 25, 2024 and BSE Circular 20241025-25 dated October 25, 2024.