



RIDHI SHARE BROKERS PRIVATE LIMITED

Regd. Office: A-40 A, Bajaj Nagar, Opposite Gandhi Nagar Railway Station, Jaipur-302015 (Rajasthan)

Ph: +91-7300081118, Email: rsbpl72@yahoo.co.in, CIN: U67120RJ2007PTC025461

Policy on Treatment of Inactive Clients

1. Introduction

Ridhi Share Brokers Private Limited ("RSBPL") is committed to providing efficient and secure services to its clients in compliance with all regulatory requirements. This policy outlines the procedures for identifying, handling, and reactivating dormant or inactive client accounts, specifically incorporating the guidelines issued by the National Stock Exchange of India Ltd. (NSE Circular Download Ref No: NSE/INSP/64718 dated October 25, 2024) and related circulars, in the interest of clients who have not traded for a significant period.

2. Objectives

The primary objectives of this policy are to:

- Establish a clear and compliant process for clients to reactivate dormant or inactive accounts when they wish to resume trading.
- Protect client assets and interests during periods of inactivity and upon reactivation, including proper settlement and handling of funds and securities.
- Ensure that all necessary due diligence, including In-Person Verification (IPV)/Video In-Person Verification (VIPV) and KYC updates, are completed before reactivation to prevent fraud and comply with PMLA guidelines.
- Maintain accurate and up-to-date client records, including KYC information, contact details, and bank account linkages.
- Ensure compliance with NSE Circular Download Ref No: NSE/INSP/64718 and other relevant SEBI/Exchange directives.

3. Scope and Applicability

This policy applies to all clients of Ridhi Share Brokers Private Limited, including individuals and non-individuals, across all segments where RSBPL provides trading services. This includes accounts flagged as "Inactive" based on the definition outlined below.



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4. Definition of Inactive Trading Account

An account is considered "Inactive" if no trades have occurred for a continuous period of 24 months across all exchanges/segments through the same Member, in accordance with NSE Circular Download Ref No: NSE/INSP/64718.

Activities that count against the inactive definition include trading, participation in OFS/buy-back/Open Offer, successful IPO/SGB/Mutual Fund applications or SIP installments on the exchange platform, and validated/registered updates to e-mail, mobile number, or address in KYC records through the same Member and uploaded to KRA.

5. Notification and Consequences of Inactivity

RSBPL may notify clients before flagging their accounts as inactive, but these communications will not require clients to trade to avoid the inactive status. Inactive accounts, as per the 24-month criteria, will be flagged accordingly in the UCC database of relevant Exchanges.

Upon an account being declared inactive, the client's funds and demat account will be settled based on the chosen periodicity (monthly/quarterly), and their assets (funds, securities, collateral) will be returned. Records of account settlements must be kept. Client accounts must be settled at least quarterly. For interim requests for fund/security release, assets will be transferred after due verification. If a running account authorization is in place, funds/securities will be transferred as part of the daily settlement.

6. Reactivation Process for Dormant/Inactive Accounts

a. Client Request

Clients can request reactivation in writing at a Company office or via registered email. Institutional clients can submit requests through their Business Manager with supporting evidence.

b. Due Diligence and IPV/VIPV Requirement

Per NSE Circular NSE/INSP/64718 and the SEBI Master Circular on KYC, mandatory IPV/VIPV is required for inactive clients seeking reactivation. Fresh documentation and updated KYC information are also needed. IPV is required if a client wishes to trade a year after being marked



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inactive. This can be done by a Company employee or via video call. RSBPL must verify instructions and update KYC records with KRA.

c. Required Documents for Reactivation

A signed reactivation form, along with copies of current address and identity proof, are required. This typically includes a self-attested PAN card, Proof of Identity, and Proof of Address. A KYC form, recent bank statement, and photos may also be needed. NRIs may need additional documents like overseas address proof and FEMA declarations.

d. Verification and Approval

Upon verification of updated details and satisfaction of the Compliance Officer or registration in-charge, the account can be made "ACTIVE". RMS and Compliance Officer clearances are required.

e. Confirmation to Client

Once activated, the client and their dealer/salesperson will be informed. Institutional clients will receive a confirmation email with their client code from the Business Manager or the person who handled the request.

7. Controls after Reactivation

Trades in reactivated accounts will be confirmed by a Head Office staff member not involved in order placement or receipt. Alerts will be generated and monitored at the Head Office for trades in reactivated accounts. The KYC department may conduct further due diligence if necessary.

9. Review and Updates

This policy will be reviewed annually or as needed due to changes in regulations, business needs, or risk management policies. Updates will ensure compliance with new SEBI and stock exchange directives, including NSE Circulars, such as NSE/INSP/43488, NSE/INSP/46506, and NSE/INSP/64718.

Approved by the Board of Directors of RIDHI SHARE BROKERS PRIVATE LIMITED on [10 JANUARY 2025].