



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 Outsourcing of Functions

1. Introduction

Ridhi Share Brokers Private Limited ("RSBPL") acknowledges the use of outsourcing as a strategic tool for enhancing operational efficiency, reducing costs, and accessing specialized expertise. This policy outlines the principles and guidelines governing the outsourcing of activities by RSBPL to third-party service providers, ensuring compliance with the regulations set forth by the Securities and Exchange Board of India (SEBI), Stock Exchanges and other relevant regulatory bodies.

2. Objective

The primary objective of this policy is to ensure that RSBPL maintains high standards of service and exercises due diligence in all operations, whether performed in-house or through outsourced arrangements. This policy aims to:

- Establish a clear framework for assessing, selecting, and monitoring outsourced activities and service providers.
- Mitigate the risks associated with outsourcing, including operational, reputational, legal, and compliance risks.
- Safeguard client interests and ensure compliance with all applicable laws and regulations, particularly those related to data security and confidentiality.
- Ensure that outsourcing arrangements do not compromise RSBPL's ability to fulfill its obligations to clients and regulators.

3. Scope and Applicability

This policy applies to all outsourcing arrangements entered into by RSBPL with any third-party service provider, whether located in India or outside India, for the performance of activities associated with the services offered by RSBPL.



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4. Definition of Outsourcing

Outsourcing involves the use of a third party, affiliated or external, to perform ongoing or temporary activities normally done by RSBPL. Exclusions include hiring supervised consultants, general services like legal or banking, and non-core services such as housekeeping.

5. Activities that Shall Not Be Outsourced

In line with SEBI guidelines, core business and compliance functions cannot be outsourced. Prohibited activities include order execution and client trading monitoring, creating client IDs, market order management, operating trading terminals, managing bank and demat accounts and payments, maintaining client databases, surveillance, compliance functions, IT infrastructure management, and any activity that could hinder RSBPL's regulatory obligations or supervisory abilities of regulators.

6. Permitted Outsourcing Activities

Subject to restrictions, non-core activities may be outsourced. These include certain back-office operations, technology support (excluding core IT), client outreach and follow-up, document verification (with controls), and support functions like Legal, Finance, HR, and Admin Services.

7. Principles of Outsourcing

All outsourcing must adhere to principles ensuring RSBPL's ability to meet obligations and regulatory oversight is not diminished. This includes protecting client confidentiality and data, managing risks, conducting due diligence on providers, establishing written contracts with clear terms and performance standards, having contingency plans, monitoring performance, managing concentration risk, and ensuring arm's length relationships when outsourcing to group entities.

8. Responsibilities

The Board of Directors is responsible for approving and reviewing the policy and ensuring alignment with strategy. Senior Management develops and implements policies, evaluates risks, implements mitigation, and reports to the Board. The Compliance Officer reviews arrangements for adherence to the policy and regulations and reports non-compliance.



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9. Outsourcing Agreement

Agreements must be legally binding and detail outsourced activities, service levels (SLAs), mutual rights and obligations, provider liability, Company's monitoring rights, confidentiality and data protection, sub-contracting procedures, termination clauses, and the Regulator's right to inspect the service provider. Safeguards against co-mingling of information and assets are also required.

10. Record Keeping

A centralized, accessible record of all outsourced activities and contracts must be maintained for review by management, the Board, and regulators.

11. Review of the Policy

This policy will be reviewed at least biennially or as needed due to changes in business, regulations, or other factors.