POLICY REGARDING TREATMENT OF INACTIVE/ DORMANT ACCOUNT

Vridhi Capital & Finance Private Limited ("VRIDHI" or "the Company"), a SEBI registered Stock Broker and Depository Participant, is committed to maintaining the highest standards of investor protection, regulatory compliance and operational risk management.

The Company has adopted this Policy in accordance with the provisions of the Securities and Exchange Board of India (SEBI), Stock Exchanges, Depositories and other applicable regulatory authorities to establish a uniform framework for identification, monitoring, suspension, reactivation and settlement of inactive or dormant client accounts.

The primary objective of this Policy is to safeguard client assets, prevent unauthorized transactions, mitigate operational and fraud risks, and ensure compliance with all applicable regulatory requirements.

OBJECTIVE

This Policy has been framed to establish a robust control mechanism for the identification and management of inactive or dormant client accounts.

The objectives of the Policy include ensuring protection of investor interests, strengthening internal controls, preventing misuse of dormant accounts, prescribing due diligence requirements before reactivation of accounts, and ensuring timely settlement of client funds and securities in accordance with applicable SEBI regulations and Exchange requirements.

APPLICABILITY

This Policy shall apply to all trading accounts and depository accounts maintained with the Company.

The provisions of this Policy shall be applicable to every client whose account has remained inactive for a continuous period of twelve months or whose account has been classified as inactive pursuant to any regulatory direction, surveillance measure, internal risk management policy or any other circumstance prescribed by SEBI, Stock Exchanges or Depositories.

DEFINITION OF INACTIVE / DORMANT ACCOUNT

For the purpose of this Policy, an "Inactive" or "Dormant" Client Account shall mean a trading account in which no trading activity has been carried out for a continuous period of twelve months.

The Company may also classify an account as inactive where such classification is warranted under applicable laws, regulatory directives, internal surveillance measures or risk management considerations.

POLICY STATEMENT

The Company shall periodically review all client accounts to identify inactive or dormant accounts.

Upon identification, appropriate restrictions may be imposed on such accounts to prevent unauthorized trading while permitting settlement of legitimate obligations including transfer of securities and settlement of ledger balances.

Such accounts shall remain under enhanced surveillance until reactivated in accordance with this Policy.

IDENTIFICATION OF INACTIVE ACCOUNTS

Without prejudice to any regulatory directions, the Company may classify a client account as inactive under any of the following circumstances.

An account in which no trading activity has been carried out during the immediately preceding twelve months.

Where the client has failed to discharge outstanding obligations despite repeated follow-up communications.

Where contract notes, statements of account or other official correspondence are repeatedly returned undelivered and the client has failed to update the registered communication details.

Where the client is reported or confirmed to be deceased.

Where any complaint alleging unauthorized trading has been received either directly from the client or through any Stock Exchange or regulatory authority.

Where the account is under investigation by SEBI, Stock Exchanges, Depositories, Enforcement Agencies or any statutory authority.

Where suspension is directed by SEBI, Stock Exchange, Depository or any competent authority.

Where a written request for temporary deactivation has been received from the client.

Where closure of the trading account has been requested by the client after settlement of all obligations.

OPERATIONAL CONTROLS

Immediately upon classification as inactive, the account shall be appropriately flagged in the Company's back-office system as well as the UCC database maintained with the respective Stock Exchanges.

No fresh market transactions shall be permitted in the account until the prescribed reactivation process has been completed.

Settlement of client funds and securities shall continue in accordance with applicable SEBI regulations.

The Compliance Department shall ensure correctness of the inactive status uploaded to the Exchanges prior to permitting any further trading.

REACTIVATION OF DORMANT ACCOUNTS

An inactive account shall be reactivated only upon completion of appropriate due diligence.

The client shall submit a duly signed written request or an authenticated request from the registered email address together with updated KYC information, proof of identity, proof of address and financial information wherever applicable.

The Company shall independently verify the information submitted by the client before permitting reactivation.

Where the account has remained inactive for more than two years, In-Person Verification (IPV) shall be carried out unless specifically exempted under applicable SEBI Circulars.

Where the client has undertaken IPO, Mutual Fund or Depository transactions during the inactive period, the Company may dispense with fresh IPV or documentation wherever permitted by applicable regulations.

EXEMPTION FROM IPV

In accordance with SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020, fresh In-Person Verification shall not be mandatory where KYC has been completed through Aadhaar based authentication or UIDAI verification or where KYC documents have been submitted electronically through DigiLocker or any other digitally verifiable platform recognized by SEBI.

SURVEILLANCE AFTER REACTIVATION

All accounts reactivated under this Policy shall remain under enhanced surveillance.

The Risk Management Department shall monitor unusual trading patterns, significant turnover, abnormal exposure, or suspicious trading immediately after reactivation.

Where necessary, additional due diligence or client confirmation may be obtained before permitting continuation of trading.

SETTLEMENT OF INACTIVE ACCOUNTS

Settlement of funds and securities belonging to inactive clients shall be carried out strictly in accordance with SEBI Regulations, Stock Exchange Bye-laws and Depository requirements.

Where settlement cannot be completed due to non-availability of valid bank account details, demat account details or inability to trace the client, the Company shall transfer such funds and securities to separately designated Client Bank Accounts and Client Collateral Demat Accounts while maintaining a complete audit trail on a UCC-wise and BO ID-wise basis.

Upon receipt of a valid claim, settlement shall be completed immediately after due verification.

RESPONSIBILITIES

The Compliance Officer shall be responsible for implementation of this Policy, regulatory reporting, monitoring of inactive accounts and ensuring compliance with applicable regulatory requirements.

The Operations Department shall maintain all records relating to account classification, suspension, reactivation and settlement.

Branch Managers, Dealers and Authorized Persons shall ensure strict adherence to this Policy and shall not permit any trading in inactive accounts unless reactivation has been completed.

Employees or Authorized Persons shall not induce or encourage clients to execute trades solely for the purpose of preventing their accounts from being classified as inactive.

RECORD RETENTION

All documents relating to classification, suspension, reactivation requests, KYC updation, IPV records, approvals, surveillance reports and settlements shall be preserved for the period prescribed under the applicable SEBI Regulations and Record Retention Policy of the Company.

REVIEW OF POLICY

This Policy shall be reviewed at least once every financial year or earlier if necessitated by amendments in SEBI Regulations, Exchange Circulars, Depository Guidelines or internal risk management requirements.

Any amendments shall become effective only upon approval by the Board of Directors unless otherwise mandated by regulatory authorities.

POLICY DISSEMINATION

This Policy shall be made available to all employees, branch offices, Authorized Persons and other concerned officials.

The latest approved version of the Policy shall also be hosted on the Company's website for the information of clients and other stakeholders.

BOARD APPROVAL

This **Policy on Treatment of Inactive / Dormant Client Accounts** has been approved by the Board of Directors of **Vridhi Capital & Finance Private Limited** and shall remain effective until modified, superseded or withdrawn.

The Compliance Officer is authorized to implement this Policy and to recommend amendments necessitated by changes in applicable laws, SEBI regulations, Stock Exchange circulars or Depository guidelines, which shall be placed before the Board of Directors for approval.

Last Reviewed on	Reviewed By	Approved By
02-04-2026	Compliance Officer	Management