

BALJIT SECURITIES PVT. LTD.

SEBI Registration No: INZ000194035

NSE MEMBER ID: 09074

BSE MEMBER ID: 923

SEBI Registration No: IN-DP-246-2016

Policy on Cyber Security

Vide SEBI circular No. SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018 Rapid technological developments in securities market have highlighted the need for maintaining robust cyber security and cyber resilience framework to protect the integrity of data and guard against breaches of privacy.

Since stock brokers and depository participants perform significant functions in providing services to holders of securities, it is desirable that these entities have robust cyber security and cyber resilience framework in order to provide essential facilities and perform systemically critical functions relating to securities market.

SEBI Cyber Security Framework for Stock Brokers / Depository Participants

The Uses of Information Technology in the securities market has grown rapidly and now it is an important part of the operational strategy for Stock Broker / Depository Participant . Recently the number of cyber incidents/attacks have increased in different way particularly securities and financial market . Market participant should urgently adopt the a robust cyber security/ resilience framework for protection the assets and resouces adhering the SEBI/ Exchange/ Depository provisions.

The guidelines annexed with this circular shall be effective from April 1, 2019.

Cyber Security Framework define and implement with reference to Circular SEBI/HO/MIRSD/CIR/PB/2018/147

1. Governance

Operational Risk Management

Identification and Assess management

Cyber Security policy for Stock Brokers/ Depository

2. Identification

Asset Management

Business Management

3. Protection

Access Control

Maintenance of Log for Access Control

Outsourcing Management

Physical Access Security Management

Connectivity Security Management

Data Security

Hardening of Hardware and Software

Application Security in Customer Facing Application

Certification of off-the-Self Products

Patch Management

Disposal of data

Systems and storage devices

Vulnerability Assessment and Penetration Testing (VAPT)

4. Monitoring and Detection

Establishment of appropriate security monitoring systems

5. Response and Recovery

Alerts generated are to be properly evaluated

6. Sharing of Information

Quarterly reports of cyber attacks and threats to be submitted to Exchanges / Depository

7. Training and Education

Provide the awareness to Technical and Non technical Staff.

8. Systems Managed by Vendors

Proper system to be followed for appointment of vendor

9. Systems Managed by MIIs

10. Periodic Audit

Audit as per Exchange / Depository Requirement.

Benefits: -

1. Satisfaction of trading partners, stakeholder and employees

2. Management Understanding for risk free

3. Management of effective Communication systems.

5. We have ensure that all ECNs (Electronic Communication) sent through the e-mail are digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file is also be secured with the digital signature, encrypted and non- tamper able form, to enable bulk digital signatures, today the market is flooded with Document Signing Software, which eases the burden of bulk documents signing.

6 We have kept a backup of all the ECN in a soft and non-tamper able form as per the compliance provisions of the IT Act, 2000 and as per the rules/regulations/guidelines issued by SEBI from time to time. The log report generated by the system at the time of sending the contract notes is maintained by us for the specified period under the extant regulations of SEBI/stock exchanges. The log report would act as storage for emails that are not delivered to the client or bounced back.

7 When the ECNs have not been delivered to the client or has been rejected by the e-mail ID of the client, we send a physical contract note to the client as per norms of SEBI/stock exchanges and maintain the proof of delivery .

8 We have provided Internet-based trading (IBT) and securities trading using wireless technology that includes the use of devices such as mobile phone, laptop with a data card, etc. which use

Internet Protocol (IP). We have complied with all requirements applicable to internet-based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.

9 We have Brought to the notice of client the features, risks, responsibilities, obligations, and liabilities associated with securities trading through wireless technology/internet/smart order routing or any other technology have be brought to the notice of the client by us..