

DP

Baljit Securities Private Limited

POLICY FOR DEALING WITH CONFLICTS OF INTEREST OF INTERMEDIARIES

(Issued as per the requirements of PMLA Act 2002)

Master Circular: - Ref. SEBI has issued circular No. CIR/MIRSD/5/2013 dated August 27, 2013

Policy created by	Compliance Team
Policy reviewed by	Principal Officer
Policy reviewed on	31 st Dec, 2023
Policy Approved by	Board of Directors
Policy approved on	4 th Jan, 2024

Version - 1.2

1. Introduction

Our organization is officially recognized as a stock broker and depository participant, having registered with Market Infrastructure Institutions (MIIs) such as stock exchanges and depositories through the Securities and Exchange Board of India (SEBI). We offer a range of services related to trading and depository operations.

2. Background

SEBI has issued guidelines vide their circular Ref No. CIR/MIRSD/5/2013 dated August 27, 2013, regarding Conflicts of Interest of Intermediaries, Recognised Stock Exchanges, Recognised Clearing Corporations, Depositories and their Associated Persons in Securities Market.

In view of the above, the meaning of "Associated Person" and "Intermediaries" are provided hereunder:

- ✓ "Associated person" means a principal or employee of an intermediary or an agent or distributor or other natural person engaged in the securities business and includes an employee of a foreign institutional investor or a foreign venture capital investor working in India;
- ✓ "Intermediary" means an entity registered under sections 11 or 12 of the SEBI Act, 1992 and includes any person required to obtain any membership or approval from a stock exchange or a self-regulatory organization; therefore, in view of the above all employees, agents (sub broker and AP), distributors engaged in securities business will be covered under this policy.

In order to ensure the protection and primacy of client's interests and to comply with the applicable regulations, we have framed a policy and procedures and aims at preventing situations involving conflicts of interests and resolving such situations if they could arise. This policy describes our approach to the identification, prevention and management of conflicts of interests that may arise in the conduct of our activities.

3. Definition of Conflict of Interest:

Broadly, a conflict of interest is likely to arise when a given situation conflicts with the interests of a client.

The three categories of potential conflict are as follow:

- ✓ Conflicts between clients, for example giving one client preferential treatment in comparison to another client for the same service;
- ✓ Conflicts involving clients and organization and / or its Associated Persons, for example, if we offer a service that would give it a higher return to the detriment of the client's interest;
- ✓ Conflicts involving clients and employees, for example, our employees use confidential information about clients for the purpose of performing transactions on their own account.

4. Identification of Potential Conflict of Interest:

For this purpose, we identify various possible conflicts of interest situations that could arise in the conduct of its activities and that could conflict the interest of a client because of the Company or other related person:

- ✓ Is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- ✓ Has an interest in the outcome of a service provided to the client or a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- ✓ has a financial or other incentive to favour the interest of another client (or group of clients) over the interest of the client to whom the service is provided;

- ✓ operates the same business activity as the client receives or will receive from someone other than the client a benefit in connection with the service provided to the client, in any form whatsoever, other than the standard commission or fee for that service.

It is used as a basis to ensure that appropriate organizational arrangements and procedures are in place to prevent and manage potential conflicts of interest and that appropriate controls are performed.

5. Measures to curb conflicts of interests:

Organizational measures:

We are structured in such a way so as to segregate functions that are vulnerable to conflicts of interest. Right from Senior Management level to marketing teams, the functions should be clearly segregated.

Control functions (Compliance, Risk Management) are completely independent and they monitor the business activities on a continuous basis so as to make sure that internal control procedures are appropriate.

Security of confidential information held, is also ensured in a way that limited access is given on a strictly need to know basis only.

The employees are given the opportunity to report any potential or actual conflict of interest situations to the senior management level.

6. Procedures and rules governing the handling of orders and primacy of the client interest:

We comply strictly with the rules of the financial markets in which it operates and does not allow orders to be given preferential treatment. Appropriate training of employees is being conducted to ensure that they are fully aware of their responsibilities and obligations. There may be some complex or specific cases where we believe that control functions are not sufficient to guarantee, with reasonable certainty, that the risk of harming the client interest will be prevented. In these cases, we will clearly inform the client of the general nature and source of the conflict of interest before acting so that the client can take an informed investment decision.

Any service provided by or activity carried on by organization that gives rise to or may give rise to a conflict of interest involving a significant risk of adversely affecting the interest of one or more clients must be recorded and presented before the Management so as to put in place the systems for resorting to such conflicts by reviewing the implementation of the said policy as and when necessary.

7. Guiding Principles of the Policy:

All employees and Associated Person/s with the Company covered under this Policy shall adhere to following principles and practices to avoid conflict of interest at all points:

- ✓ To maintain high standards of integrity in the conduct of business at all times.
- ✓ To ensure to communicate policies, procedures and code to all concerned.
- ✓ To ensure fair treatment of clients and not to discriminate amongst them;
- ✓ To ensure that Company's personal interest does not, at any time conflict with our duty towards our clients and clients' interest shall always takes primacy in our advice, investment decisions and transactions;
- ✓ To make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair our ability to render fair, objective and unbiased services;
- ✓ Endeavor to reduce opportunities for conflicts through prescriptive measures such as through information barriers to block or hinder the flow of information from one department/ unit to another, etc.;

- ✓ To place appropriate restrictions on transactions in securities while handling a mandate of issuer or client in respect of such security so as to avoid any conflict;
- ✓ Not to deal in securities while in possession of material non-published information;
- ✓ Not to communicate the material non-published information while dealing in securities on behalf of others;
- ✓ Not to contribute in manipulating the demand for or supply of securities in the market or to influence prices of securities;
- ✓ Not to provide incentive structure that encourages sale of products not suiting the risk profile of clients;
- ✓ Not to share information received from clients or pertaining to them, obtained as a result of our dealings, for our personal interest.

Change in the Policy will be adopted as and when required by the company and is binding on all the Staff/Employees/and Directors of the Company.

For M/s. BALJIT SECURITIES PRIVATE LIMITED,



SHASHI KANT BUBNA

Director