

Baljit Securities Private Limited

POLICY ON GUIDELINES FOR OUTSOURCING OF ACTIVITIES

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 - 1.3

1. GUIDELINES ON OUTSOURCING OF ACTIVITIES

As per the guidelines issued by Securities Exchange Board of India Circular No. NSE/NSP.19603 dated 15/12/2011; all intermediaries must prepare guidelines on outsourcing of activities. In order to address the concerns arising from the outsourcing of activities by intermediaries based on principles advocated by the IOSCO and the experience of Indian markets. SEBI had prepared a concept paper on outsourcing of activities related to services offered by intermediaries. Based on the feedback received on the discussion paper and also discussion held with various intermediaries, stock exchanges and depositories, the principles for outsourcing by intermediaries have been framed (Annexure I). These principles shall be followed by all intermediaries registered with SEBI.

- ✓ The Company shall render high standards of service and exercise due diligence and ensure proper care in the operations.
- ✓ The policy covers activities for the purpose of reducing cost.
- ✓ The Company shall make an assessment of outsourcing risk which depends on several factors, including the scope and materiality of the outsourced activity, etc.
- ✓ There shall not be any prohibition on a group entity / associate of the Company to act as the third party. There shall be distance between the intermediary and the third party in terms of infrastructure, manpower, decision-making, record keeping, etc. for avoidance of potential conflict of interests.
- ✓ Records relating to outsourcing shall be preserved centrally for review by board and the same shall be regularly updated for continuous operations.
- ✓ The company shall be liable to the investors and clients for all the activities rendered by the third party
- ✓ The company shall conduct appropriate due diligence in selecting the third party and assessing their resources and capabilities, compatibility of the practices and system, level of concentration and the environment of the foreign country where the third party is located which is most for our company.
- ✓ The Company shall create outsourcing relationship with the third party the at shall be governed by written contracts/ agreements/ terms and conditions that clearly describes all material aspects of the outsourcing agreement, including the rights, responsibilities and expectations of the parties to the contract, client confidentiality issues, termination procedures etc.
- ✓ The company shall establish and maintain with the third party a contingency plan, including a plan for disaster recovery and periodic testing of backup facilities.
- ✓ The Company shall take appropriate steps to require that third parties protect confidential information of both the intermediary and its customers from intentional or inadvertent disclosure to unauthorized persons.

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