CONFLICT OF INTEREST POLICY

1. Introduction

SEBI vide its circular no. CIR/MIRSD/5/2013 dated August 27, 2013 issued a General Guidelines for dealing with Conflicts of Interest of Intermediaries, Recognised Stock Exchanges, Recognised Clearing Corporations, Depositories and their Associated Persons in Securities Market. SEB! decided to put in place comprehensive guidelines to collectively cover such entities and their associated persons, for elimination/avoidance of their conflict of interest and educating the Associated Persons as defined in Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations. 2007 for the compliance of the guidelines. SEBI advised to lay down, with active involvement of senior management, policies and internal procedures to identify and avoid or to d eal or manage actual or potential conflict of interest, develop an internal code of conduct governing operations and formulate standards' n!: appropriate conduct in the performance of their' activities, and ensure to communicate such policies, procedures and code to all concerned;

SEBI guidelines intends Intermediaries and their Associated Persons to comply with the following :-

- high standards of integrity in the conduct of business;
- fair treatment of clients and no discrimination amongst them;
- avoidance of conflict of personal interest with the client and primacy of clients interest;
- appropriate disclosure to the clients of possible source or potential areas of conflict of interest;
- reducing the opportunities for conflict through prescriptive measures;
- appropriate restrictions on transactions in securities while handling a mandate of issuer or client;
- not to deal in securities while in possession of material non published information;
- not to communicate the material non published information
- not to manipulate the demand for, or supply of, or to influence prices of, securities.
- not to have an incentive structure that encourages sale of products not suiting the risk profile of the clients;
- not to share client information for the personal interest;

This document sets out the Policy on management of Conflict of Interest for **Vikash Stock Broking Services Pvt. Ltd.**, with intent to define a policy and procedure for dealing with Conflict of Interest and to effectively manage any conflicts of interest that may arise in carrying out its business. Senior Management is responsible for ensuring that the Company's systems, controls and procedures are adequate to identify and manage conflicts of interest.

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Vikash Kumar Bothra
Wholetime Director

2.Policies and Internal Procedures to Identify and avoid or to deal or manage actual or potential Conflict of Interest

OBJECTIVES OF POLICY

Objectives of the policy on Conflict of Interest are defined as under-

- to promote high standards of integrity in the conduct of business
- to ensure fairness of dealing with clients
- to guide for identification, elimination or management of conflict of interest situations
- to provide a mechanism for review and assessment of the policy(ies) on conflict of interests

The conflict of interest policy aims to ensure that the Company's clients are treated fairly and at the highest level of integrity and that their interests are protected at all times.

It aims to identify conflicts of interest between:

- The Company and a Client
- Relevant Person and a Client
- Any of our group company and a Client
- Two or more Clients of the Company in the course of providing services to these Clients
- A Company's service provider and a Client

and to prevent conflicts of interest from adversely affecting the client's interest.

The Conflicts of Interest Policy sets out how:

- The Company identifies circumstances which may give rise to conflicts of interest entailing a material risk of damage to our Clients' interests;
- The Company implements appropriate mechanisms and systems to manage those conflicts;
- The Company maintains systems designed to prevent damage to our Clients' interests through identified conflicts.

For the purpose of this policy:-

"Intermediary" and "Associated Person"would mean

Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007 defines the term "intermediaries" and "associated persons". Accordingly, "intermediary" means an entity registered under

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SEBI Act and includes any person required to obtain any membership or approval from a stock exchange or a self- regulatory organization; and "associated person" means a principal or employee of an intermediary OJ 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;

"Conflict of Interest" would mean

Conflicts of Interest can be defined in many ways, including any situation in which an individual or corporation (either private or governmental) is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit. A conflict of interest is a manifestation of the moral hazard problem, particularly when a financial institution provides multiple services and the potentially competing interests of those services may lead to a concealment of information or dissemination of misleading information. A conflict of interest exists when a party to a transaction could potentially make gain from taking actions that 'are detrimental to the other party in the transaction.

Identification of Conflicts of Interests

VSBSPL shall take adequate steps to identify conflicts of interest. In identifying conflicts of interest, the Company will take into account situations where the Company or an employee or a Relevant 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 of 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 one Client over another;
- Carries out the same business as the Client; or
- Receives from a person other than a Client an inducement in relation to a service provided to a Client, in the form of monies, goods or services, other than the standard commission or fee for that service.

Potential Conflict of Interest

In order to avoid, manage or deal with conflict of interest with the intermediary or the, Associated Persons, it is important to identify the possible areas of conflict of interest. VSBSPL lists out the following potential conflict of interest that may affect the company.

1. Directorships or other' employment:
2. interests in business enterprises or professional practices;
3. Share ownership;

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4. Beneficial interests in trusts;
5. Personal Account.Trading;
6. Professional associationsor relationships with other organizations;
7. Personal associations with other groups or organizations, or family relationships;
8. Front running;
9. Rebates;
10. Kickbacks;
11. Commission;
12. Where the company carries on the same business as a client;
13. Where the company designs, markets or recommends a product or service without properly considering all our other products and services and the interest of all our clients;
14. Where the company has a financial or other incentive to favour the interest of another client or group of clients over the interests of a client;
15. Where the company has an interest in the outcome of a service provided to, or of a transaction carried out on behalf of, a client which is distinct from that client's interest in that outcome;
16. Where the company is likely to make a financial gain or avoid a financial loss at the expense of a client; and
17. Where the company receives, or will receive, from the person other than a client an inducement in relation to the *service* providedto that client in the form of monies; goods or services, other than the standard commission or fee for that service;

Measures to avoid or to deal or manage actual or potential Conflict of Interests

Should a conflict of interest arise, it needs to be managed promptly and fairly. The Company puts in place following arrangements to ensure that:

1. There is a clear distinction between the different departments' operations;
2. No single person will gather conflicting information, thus counterfeiting or hiding information from investors is minimized;
3. VSBSPL employees are prohibited from investing in a financial instrument for which they have access to non-public or confidential information;
4. Transactions by the Company's employees are neither performed nor executed by themselves.
5. Employees sign a contract of employment including confidentiality clauses. No associated person may disclose inside information to others, except disclosures made in accordance with the Company's policies and procedures, to other Company personnel or persons outside the Company who have a valid business reason for receiving such information;
6. Each department will control the flow of information where, otherwise, the risk of conflict of interest may harm the interest of a Client;
7. Relevant information is recorded promptly in a secure environment to enable identification and management of conflicts of interests;
8. Adequate records are maintained of the services and activities of the Company where a conflict of interest has been identified;
9. In certain jurisdictions appropriate disclosure may be made to the Client in a

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clear, fair and not misleading manner to enable the Client to make an informed decision;

10. There is a periodic review of the adequacy of the Company's systems and controls
11. Employees are required to avoid conflicts of interest with activities they undertake outside company.

Information barriers

VSBSPL respects the confidentiality of information it receives regarding its Clients and operates a "Need to *Know*" approach and complies with all applicable laws in respect of the handling of that information. Access to confidential information is restricted to those who have a proper requirement for the information consistent with the legitimate interest of a Client of the Company.

The Company operates internal orqanizational arrangements to avoid conflicts of interest by controlling, managing or restricting, as deemed appropriate, the flow of confidential information between different areas of business or within a specific division or department. In particular, Chinese Walls are a key tool for conflict of- interest prevention, avoiding insider dealing and market manipulation risks. Furthermore, Chinese Walls can involve separation of premises, personnel, reporting lines, files and IT- systems and controlled procedures for the *movement* of personnel and information between the Company and any other part of the Company. The Company maintains - permanent - information barriers between different departments.

Disclosure to clients of possible source or potential areas of conflict of interest (COI):

i. VSBSPL or its associated persons should/ in writing/disclose to a client any COI in respect of that client including -

a. Measures taken to avoid or mitigate the conflict;

b. Any ownership interest or financial interest that the provider or representative may be or become eligible for;

c. The nature of the relationship or arrangements with a third party that gives rise to a COI in sufficient detail to enable the client to understand the exact nature of the COI

ii. VSBSPL or its associated persons should in writing, inform a client of the policy on Management of Conflict of interest and how it may be accessed.

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iii. Intimation of an actual or potential COI should be made to a person with responsibility for the issue or area, such as the relevant management team, head of the department or key individual.

iv. In accordance with an employee's obligation to act in the best interest of VSBSPL, it is not permissible for employees to engage in conduct that would amount to a COI with VSBSPL

v. Staff that fail to disclose a potential or actual C O I in accordance with this policy may be liable to disciplinary procedures.

vi. Where a conflict arises VSBSPL or its Associated Persons will, if it is aware of it, disclose it to a client prior to undertaking trading activity for that client or, if the company does not believe that disclosure is appropriate, to manage the conflict, the company may opt not to proceed with the transaction or matter giving rise to the conflict.

vii. Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect Clients' Interests, the conflict will be disclosed to allow the Client to make an informed decision on whether to continue using our service in the situation concerned.

viii. VSBSPL may decline to act for a Client in cases where we believe a conflict of interest cannot be managed in any other way.

Policies and procedures

VSBSPLhas developed and implemented policies and procedures throughout its business to prevent or manage potential conflicts of interest. Our employees receive guidance and training in these policies and procedures, and they are subject to monitoring and review processes.

Procedure to comply with the policy

1. Every staff member must have a copy of the Policy on management of Conflicts of Interest
2. If a potential COI arises, the transaction must first be discussed with management before entering into the transaction.
3. All new employees shall be required to declare their outside interests when they join the firm
4. The company Conflict of Interest Policy is located on the website and is subject to annual review

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Iducements

VSBSPL does not offer, solicit or accept any inducements, other than the following:
- the fee, commission or benefit which is disclosed to a client, prior to the provision of the relevant service; and
- it is designed to enhance the quality of the relevant *service* to a client and in line with the Company's duty to act in the best interests of a client.
- Proper fees for the provision of Investment services, such as custody costs, settlement and exchange fees, regulatory levies or legal fees, and which cannot give rise to conflicts with the Company's duties to act honestly, fairly and professionally in accordance with the best interests of its clients.

Consequences of non-compliance with the policy.

- Non-compliance with this policy and the procedures described in it may be considered to be misconduct and may be subject to disciplinary action

3. Internal Code of conduct governing operations

VSBSPL and Associated Persons shall" abide by the Code of Conduct contained in the Schedule II of the securities and Exchange Board of India (Stock-Brokers and' Sub-Brokers) .Regulations,*1992,* as amended, for accomplishment of the Objectives, of the SEBI Code.

4. Standards of appropriate conduct in the performance of the activities,

VSBSPL and its Associated Persons shall adopt the following standards of appropriate conduct in the performance of the activities.

i. To place the cllent's interests first: Placing the cllent's interests first is a hallmark of professionalism, requiring company and its Associated Persons to act honestly and not place personal gain or advantage before the client's interests.

ii. To provide business services with integrity: Integrity requires honesty and sincerity in all business matters. Company and its Associated Persons are placed in positions of trust by clients, and the ultimate source of that trust is the Company and its Associated Persons' personal integrity, both in the letter and the spirit.

iii. To provide business services objectively: Objectivity requires intellectual honesty and impartiality. Regardless of the services delivered or the capacity in which Company and its Associated Persons functions, objectively requires

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Company and its Associated Persons to ensure the integrity of their work, manage conflicts and exercise sound commercial and professional judgment.

iv. To be fair and reasonable in.aJl business relationships & to disclose and manage conflicts of interest : Fairness requires providing clients what they are due, owed or should expect from a business relationship, and includes honesty and disclosure of material conflicts of interest.it involves managing one's own feelings, prejudices and desires to achieve a proper balance of interests. Fairness is treating others in the same manner that you would want to be treated.

v. To act in a manner that demonstrates exemplary professional conduct: Professionalism requires behaving with dignity and showing respect and courtesy to clients, fellow business associates, and others in business- related activities, and complying with appropriate rules, regulations and business requirements. Professionalism requires Company and its Associated Persons, individually and in cooperation with peers, to enhance and maintain the company's public image and its ability to serve the public interest.

vi. To maintain the abilities, skills and knowledge necessary to provide business services competently: Competence requires attaining and maintaining an adequate level of abilities, skills and knowledge in the provision of business services. Competence requires company and its Associated Persons to make a continuing commitment to learning and business services improvement.

vii. To protect the confidentiality of *all* client information: Confidentiality requires client information to be protected and maintained in such a manner that allows access only to those who are authorized. A relationship of trust and confidence with the client can only be built on "(he understanding that the client's information will not disclosed inappropriately.

viii. To provide business services. diligently: Diligence requires fulfilling business commitments in a timely and thorough manner, and taking due care in planning, supervising and delivering business services.

5. Communication of policies, procedures and code to all concerned

This Policy on management of Conflict of Interest offers general guidance in addition to VSBSPL policies and proceduresand is not meant to replace any of those policies or procedures and shall be made available at our office. Company expects all its Associated persons, employees, to adhere to this policy. The Board of Directors

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of VSBSPL reserves the right to amend, supplement or *discontinue* this policy and the matters addressed herein,without prior notice, at any time.

6. Implementation and Review of policy of management on Conflict of Interest

This policy shall come into effect from the date of approval of the Board of Directors of the company for its implementation so as to provide necessary guidance enabling identification, elimination or management of conflict of interest situations and that the same shall be reviewed and assessed annually by the company management.

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