

# NIKUNJ STOCK BROKERS LIMITED

CIN: U74899DL1994PLC060413

Member: NSE, BSE, MCX and DP-NSDL

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## Policy on Conflict of Interest

Nikunj Stock Brokers Ltd., (hereinafter called “NSBL”) is a SEBI registered Stock & Share Broker (NSE, BSE, MCX) and also provide Depository Services of NSDL and CDSL

SEBI, vide its circular no. CIR/MIRSD/5/2013 dated August 27, 2013 has laid down the guidelines requiring registered intermediaries to establish and implement a conflicts of interest policy (hereinafter the “Policy”).

### Purpose

To adhere to the above guidelines, the Company is formulated this policy to take all reasonable steps to identify, eliminate or manage conflicts of interest. The Company is committed to acting honestly, fairly and professionally and in the best interests of its clients.

This Policy is not intended to, or does not create third party rights or duties nor does it form part of any contract between the Company and any client.

### This Policy aims at:

- i. identifying circumstances which may give rise to conflicts of interest entailing a material risk of damage to clients’ interests,
- ii. establishing appropriate procedures and systems to manage those conflicts, and
- iii. ensuring the maintenance of such procedures and systems in an effort to prevent actual damage to clients’ interests through conflicts identified.

### Scope

The Policy applies to the Board of Directors and Employees of the Company (collectively referred to as “Employees”) and relevant associated persons as defined in SEBI (Certification of associated persons in the securities market) Regulations, 2007 with respect to all interactions with the clients. Potential conflicts of interest areas

- 1. The Company or employees or relevant associated person(s) is/ are likely to make a financial gain, or avoid a financial loss, at the expense of the client.
- 2. The Company or employees or relevant associated persons has/have 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 the outcome.

3. The Company or employees or relevant associated person(s) has/have a financial or other incentive to favor the interest of another client or group of clients over the interest of one client.
4. The Company or employees or relevant associated persons receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

### **Procedures and controls to managing Conflicts of Interests**

The procedures and controls that the Company follows to manage the identified conflicts of interests include the following:

1. Effective procedures to prevent or control the exchange of information in the activities involving a risk of conflict of interest where the exchange of that information is likely to harm the interest of one or more clients;
2. Measures to prevent or limit any person from exercising inappropriate influence over the way in which capital market services are carried out;
3. Chinese walls restricting flow of confidential and price sensitive information within the Company, physical separation of departments and sharing of information only on a "Need to Know Basis". The same shall be governed by 'Prevention of Insider Trading Policy' applicable at Nikunj Stock Brokers Ltd.
4. A policy designed to limit the conflicts of interests arising from the giving and receiving of inducement, as per the gift policy applicable at Nikunj Stock Brokers Ltd.
5. Appointment of Independent Internal auditors to ensure that appropriate systems and controls are maintained and their effectiveness or otherwise is being reported to the Company's Board of Directors.
6. Personal account dealing requirements applicable to employees in relation to their own investments needs an approval from the Compliance Team by submission of an Investment Request Form. The same shall be governed by 'Prevention of Insider Trading Policy' applicable at Nikunj Stock Brokers Ltd.
7. Provisions governing access to electronic data as per the 'Mobile Phone Usage Policy' of the Company and 'Prevention of Circulation of Unauthenticated News'.
8. The employees are governed by measures laid down in the internal code of conduct and other policies which include the following:
  - i. restrictions on dealing in securities while handling client's mandate or while in possession of material non published information, or communicating such information while dealing on client's behalf, manipulating demand or supply of securities or influencing their market price. The same shall be governed by 'Prevention of Insider Trading Policy' applicable at Nikunj Stock Brokers Ltd.
  - ii. Restrictions on an incentive structure that encourages sale of products not suiting the client's risk profile.
  - iii. Restrictions on divulgence of client's confidentiality unless required by or under the law.

- iv. The associated persons shall at all times maintain high standards of integrity in the conduct of their business followed by compliance reporting to Board of Directors and senior management.
- 9. The Company's Compliance team has oversight on the business to ensure that internal controls are appropriate.
- 10. The Board of Directors of the Company and the Compliance team share the responsibility for keeping the Policy in place. Any situation or transaction involving an actual or potential conflict of interest should promptly be reported to the Compliance team and obtain their determination as to whether a conflict exists.
- 11. Where a conflict arises and the Company is aware of it, it will disclose the conflict to the client prior to undertaking the business for that client or, if the Company does not believe that the disclosure is appropriate to manage the conflict, the Company may choose not to proceed with the transaction or matter giving rise to the conflict.
- 12. Periodic review of the Policy will be done at the Board Meeting of the Company. The same shall be need basis.

### **Violation and Consequences**

Any non- adherence with the Policy will be subject to strict action.

### **Disclosure**

The Company reserves the right to make review and / or amend its Policy and whenever it deems appropriate.

In case you have any questions, please direct your query to our Compliance team:

[complianceofficer@nikunjonline.com](mailto:complianceofficer@nikunjonline.com)