

POLICY ON CONFLICT OF INTEREST

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. SEBI 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 deal or manage actual or potential conflict of interest, develop an internal code of conduct governing operations and formulate standards of 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 in respect of such security;
- 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 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 **Nirman Share Brokers Pvt Ltd.** (NSBL), 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.

Policies and procedures

The Company has 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.

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

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

- i. There is a clear distinction between the different departments' operations;
- ii. No single person will gather conflicting information, thus counterfeiting or hiding information from investors is minimized;
- iii. The Company's employees are prohibited from investing in a financial instrument for which they have access to non-public or confidential information;

- iv. Transactions by the Company's employees are neither performed nor executed by themselves.
- v. Each department will control the flow of information where, otherwise, the risk of conflict of Interest may harm the interest of a Client;
- vi. Relevant information is recorded promptly in a secure environment to enable identification and management of conflicts of interests;
- vii. Adequate records are maintained of the services and activities of the Company where a conflict of interest has been identified;
- viii. In certain jurisdictions appropriate disclosure may be made to the Client in a clear, fair and not misleading manner to enable the Client to make an informed decision;
- ix. There is a periodic review of the adequacy of the Company's systems and controls.
- x. Employees are required to avoid conflicts of interest with activities they undertake outside NSBL.

2. Internal code of conduct governing operations.

NSBL 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.

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

This Policy on management of Conflict of Interest offers general guidance in addition to NSBL policies and procedures and is not meant to replace any of those policies or procedures and shall be made available through NSBL website www.nirmanbroking.com or by sending a request in writing. NSBL expects all its Associated persons, employees, to adhere to this policy. The Board of Directors of **Nirman Share Brokers Pvt Ltd.** reserves the right to amend, supplement or discontinue this policy and the matters addressed herein, without prior notice, at any time.

4. 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.

POLICY ON LIMIT SETTING

The stock broker may from time to time impose and vary limits on the orders that the clients can place through the stock brokers trading system (including exposure limits, turnover limits, limits as to number, value and / or kind of securities in respect of which orders can be placed. The client is aware and agrees that the stock broker may need to vary or reduce the limits or impose new limits urgently on the basis of the stock brokers risk perception and other factors considered relevant by the stock broker including but not limited to limits on account of exchange / SEBI directions / limits (such as broker level / market level limits in security specific / volume specific exposures etc. and the stock broker may be unable to inform the client of such variation, reduction or imposition in advance. The Client agrees that the stock broker shall not be responsible for such variations, reduction or imposition of client's inability to route any order through the stock brokers trading system on account of such variation, reduction or imposition of limits. The client further agrees that the stock broker may at any time, at its own discretion and without prior notice, prohibit or restrict the clients ability to place orders or trade in securities through the stock broker or it may subject any order placed by the client to a review before its entry into the trading systems and may refuse to execute / allow orders. The client agrees that the losses if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

We have margin based RMS System. Total Deposits of the clients are uploaded in the system and the clients may take exposure basis of margin applicable for respective security as per VAR based margining system of the stock exchange and / or margin defined by the RMS based on its risk perception. Client may take benefit of

“Credit for sale” i.e. benefit of shares held as margin by selling the same by selecting Delivery (CNC) option through order entry window on the trading platform. The value of shares sold will be added to the value of deposit and on the basis of that client may take fresh exposure.

In case of exposure taken on the basis of shares margin the payment is required to be made before the exchange pay in date/ M to M whichever is applicable otherwise it will be liable to square off/ reduce after the payin date or any time due to shortage of margin.

POLICY FOR PREVENTION OF INSIDER TRADING

INTRODUCTION

This policy aims to define and establish **NIRMAN SHARE BROKERS PVT LTD.** (herein after referred to as “Stock Broker”), position and rules with respect to:

- Prevention of Insider trading securities
- Adherence to Securities and Exchange Board of India’s („SEBI“) applicable guidelines by all Connected or Deemed Connected persons including Director, Officer and Designated Employee for prevention of Insider trading.

Stock Broker is committed to preserving the confidentiality & preventing the misuse of any unpublished price sensitive information. Stock Broker is further committed to adherence to all applicable laws & regulations set forth by the Securities & Exchange Board of India (“SEBI”) or the Stock Exchanges with regards to prevention of Insider trading. Trading on insider information is not only illegal, but also tarnishes Stock Broker’s corporate credibility. Stock Broker is committed to ensuring transparency & fairness in dealing with all stakeholders of the Stock Broker.

Definitions of some of the key terms used in this policy are given below:

- i. “Insider Trading” means when insiders use unpublished price sensitive information to arrive at securities trading / dealing (including buying as well as selling) decisions, the action is referred to as insider trading;
- ii. “Insider” means any person who is or was a “Connected Person” or “Deemed Connected Person” and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of the Company or who has received or has had access to such unpublished price sensitive information;
- iii. “Connected Persons” means any person who is”
 - A Director of the Company;
 - An Officer or Designated Employee of Company;
 - Has a professional or business relationship with the Company, such that he/she may be reasonably expected to have access to price sensitive information in relation to the Company, which includes but not limited to the Legal Advisors, Solicitors, Auditors, Consultants and Tax Advisors.
- iv. “Deemed Connected Persons” means and includes:
 - Dependent family members of Connected Persons;
 - Any group Company, Company under the same management or subsidiary of the Company;
 - Bankers of the Company;
 - Merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, investment advisor, sub-broker or any employee thereof having a fiduciary relationship with the Company;
 - Trustees of any trust the beneficiaries of which include any of the Connected Persons;
 - Trustees of any trust who are conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the company;
 - Any person who was a Connected Person, whether temporary or permanent six months prior to an act of insider trading.
 - Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider trading) Regulations, 1992.

- v. "Dependent Family Members" shall mean spouse, dependent parents and dependent children and any other person dependent on the Officer and Designated Employee;
- vi. "Officer of a Company" means any person as defined in clause (30) of section 2 of the Companies Act,1956 (1 of 1956) including an auditor of the Company; "Designated Employee" shall mean: Manager and above in the Finance, Accounts, Secretarial and Corporate Communications departments; Such employees designated and notified by the Compliance Officer from time to time with the approval of the Managing Director;
- vii. "Dealing in Securities" means an act of subscribing, buying, selling or agreeing to subscribe, sell or deal in any securities either as principal or agent;
- viii. "Price Sensitive Information" shall mean any information which relates directly or indirectly to Company and which if published is likely to materially affect the price of securities of Company. The following shall be deemed to be price sensitive information: Periodical financial results of the Company; Intended declaration of dividends (both interim and final); Issue of securities or buy-back of securities; Any major expansion plans or execution of new projects; Amalgamation, mergers or takeovers; Disposal of the Whole or substantial part of the undertaking; Any significant changes in policies, plans or operations of the Company;
- ix. "Unpublished" means information which is not published by the company or its agents and is not specific in nature.
- x. "Compliance Officer" means an officer appointed by the Board for the purpose of monitoring, observing, educating the employees, setting forth the policies and administration of the procedure under the overall supervision of the Managing Directors of the Stock Broker in relation to Compliance with this policy.

Words and expressions not defined in these Regulations shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India Act, 1992.

All clients of **Nirman Share Brokers Pvt Ltd.** are required to adhere to the above policy on Insider Trading and report within the time specified by the relevant regulations Nirman Share Brokers Pvt Ltd. and other companies & authorities as applicable all transactions which fall within the purview of this policy.