

Innovate Securities Pvt. Ltd. Policy On Conflict of Interests

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, Recognized Stock Exchanges, Depositories and their Intermediators, Associated Person 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 : -

- 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;
- Appropriate restrictions on transactions in securities while handling a mandate of issuer or client;
- 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;

Objectives :

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

- 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 :

- 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:-

a. "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 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 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;

b. "Conflict of Interest" 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

The Company 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;

- 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. Company lists out the Following potential conflict of interest that may affect the company.

1. Directorships or other employment,
2. Share ownership; iv. Beneficial interests in trust,
3. Personal Account Trading,
4. Professional associations or relationships with other organizations,
5. Personal associations with other groups or organizations, or family relationships,
6. Front running, Rebates Kickbacks,Commission,
7. Where the company carries on the same business as a client;

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.

Procedure to comply with the policy

- 1 Every staff member must have a copy of the Policy on management of Conflicts of Interest.
2. All new employees shall be required to declare their outside interests when they join the firm.
3. All staff maintaining personal trading accounts outside of the company are required to instruct their broker to send copy contract notes and periodic statements to the company for reconciliation purposes.