

M/s Sethi Finmart Pvt. Ltd.

Member of NSE & MSEI

POLICY FOR CONFLICT OF INTEREST

Reviewed on 03/01/2022

To be implemented immediately from the date of approval.

The below mentioned policy made as per CIR/MIRSD/5/2013 dated August 27, 2013 for CONFLICT OF INTEREST has been approved by the Board of Directors in their meeting held on 02nd September, 2013. All the staff / Associated Person are required to follow the same and take due care for its proper implementation.

This policy is made to facilitate effective implementation of Conflict of Interest in our organization.

As per the SEBI Circular a Registered Intermediaries / Stock Exchanges / Clearing Corporations / Depositories to “manage conflicts of interest fairly, both between itself and its Clients and between a Clients and another client.” M/s Sethi Finmart Pvt. Ltd. is required to maintain and operate effective organizational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage such conflicts of interest and put in place a policy to meet this obligation and set out below is a summary of that policy and the key information that is needed by clients and counterparties to understand the measures is taking to safeguard the interests of its Clients.

- Identify circumstances which may give rise to conflicts of interest entailing a material risk of damage to Clients’ interests;
- Establish appropriate mechanisms and systems to manage those conflicts; and
- Maintain systems in an effort to prevent actual damage to Clients’ interests through the identified conflicts.

What is a conflict of interest?

A conflict of interest is a conflict that arises in any area of business in the course of providing its Clients with a service which may benefit whilst potentially materially damaging another Client where M/s Sethi Finmart Pvt. Ltd owes a duty to the Client.

- Is likely to make a financial gain (or avoid a loss) at the expense of its Client;
- Is interested in the outcome of the service provided to its Client where the interests of M/s Sethi Finmart Pvt. Ltd is distinct from that of the Client;
- Has a financial or other incentive to favour the interests of one Client over another;
- Carries on the same business as a Client;
- Receives money, goods or services from a third party in relation to services provided to a Client other than standard fees or commissions.

M/s Sethi Finmart Pvt. Ltd has sought to identify conflicts of interest that exist in its business and has put in place measures it considers appropriate to the relevant conflict in an effort to monitor,

M/s Sethi Finmart Pvt. Ltd.

Member of NSE & MSEI

manage and control the potential impact of those conflicts on its Clients. The conflicts identified include:

- Those between Clients with competing interests;
- Those between Clients and M/s Sethi Finmart Pvt. Ltd where their respective interests in a particular outcome may be different; and
- Those between the personal interests of staff and the interests of company or its Clients where those interests may be different.

Policies and procedures

M/s Sethi Finmart Pvt. Ltd has adopted numerous internal policies and procedures, in order to manage recognized conflicts of interests.

- 1. Integrity and Standards of Conduct:-** We insists that in its dealings with Clients its staff must use the highest standard of integrity in their actions at all times. The induction programme, training and competency procedures and monitoring programme are designed to ensure that all relevant staff is familiar with and observe, inter alia, the Principles for Businesses, the Statements of Principle and Code of Practice for Approved Persons.
- 2. Client Orders:-** In order to ensure as fair treatment as possible for Clients, the Execution Policy requires us to take all reasonable steps to achieve the best overall trading result for Clients; to exercise consistent standards; and operate the same processes across all markets, clients and financial instruments in which it operates. In order to ensure a fair and orderly dealing environment within the market, we ensures that its staff comply with the relevant directives, as well as the relevant Rules, which aim to prevent insider trading, the misuse of information and market manipulation.
- 3. Personal Account Dealing:-** We have a policy on Personal Account Dealing and the rules are signed off as understood by all relevant staffs regardless of their position with us. All broking staff is required to report any unusual investment activity to the Compliance Department.
- 4. Confidentiality and Information barriers:-** We have put in place procedures to control or prevent the flow of information between our business and entities where the interests of Clients of one business or entity may conflict with the interests of Clients of another our business or entity or with our own interests. Further, we insists on strict Client confidentiality to ensure that information is disclosed only to those entitled to receive it or otherwise with the prior approval of the Compliance Department.

We ensure that our staff / Associated Person not 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 in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities /not have an incentive

M/s Sethi Finmart Pvt. Ltd.

Member of NSE & MSEI

structure that encourages sale of products not suiting the risk profile of their clients/not share information received from clients or pertaining to them, obtained as a result of their dealings, for their personal interest.

- 5. Inducement to Staffs from Client:-** Staff are not allowed to accept gifts, entertainment or any other inducement from any person which might benefit one Client at the expense of another when conducting investment business. Staff is not allowed to place undue pressure upon Clients to persuade the Client to trade through the firm to the extent that this might give rise to a conflict of interest between that Client and its own underlying Clients.
- 6. Disclosure:-** If there is no other means of managing the conflict or where the measures in place do not, in the view of M/s Sethi Finmart Pvt. Ltd , sufficiently protect the interests of Clients, the conflict of interest will be disclosed to Clients to enable an informed decision to be made by the Client as to whether they wish to continue doing business with us in that particular situation.

The Conflict of Interest policy shall be conducted under overall supervision of the Compliance Officer / Designated Director / Associated Person.

Internal auditor shall review the Conflict of Interest policy, its implementation, effectiveness and review the same for the purpose of audit. Internal auditor shall record the observations with respect to the same in their report.

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