

Conflict of Interest Policy

1. Objective

The purpose of this Conflict-of-Interest Policy is to outline the principles and procedures adopted by Yashwi Securities Pvt Ltd (“Yashwi” or “the Company”) to identify, manage, and mitigate conflicts of interest that may arise between:

- The Company and its clients
- Two or more clients
- Employees and the Company
- Associated entities or group companies

This ensures that client interests are always protected and aligned with our obligation as a SEBI-registered stockbroker.

2. Regulatory Framework

This policy is in compliance with:

- SEBI (Stock Brokers) Regulations, 1992
- SEBI (Investment Advisers) Regulations, 2013 (as applicable)
- SEBI Circular CIR/MIRSD/24/2011 dated December 15, 2011
- Exchange Guidelines (NSE/BSE/MCX)
- Internal code of conduct and ethical business practices

3. Definition of Conflict of Interest

A **conflict of interest** arises where Yashwi, its directors, employees, or associates:

- Have personal or financial interests conflicting with those of a client.
- Are likely to make a gain or avoid a loss at the expense of a client.
- Are incentivized to favor one client over another.

- Receive or offer any non-public advantage, inducement, or gift that could influence decisions.
- Deal in securities while possessing price-sensitive or unpublished information.

4. Identification of Potential Conflicts

- **Proprietary Trading vs. Client Trading:** Trading ahead of client orders.
- **Research Bias:** Recommending securities where the broker or associate holds interest.
- **Dual Roles:** Acting as both broker and advisor without disclosure.
- **Employee Front Running:** Employees trading before large client orders.
- **Referral Incentives:** Receiving benefits from third-party product distributors.

5. Policy on Managing Conflicts

- **Disclosure:** All actual and potential conflicts are disclosed to clients where relevant.
- **Information Barriers:** “Chinese Walls” between research, sales, and proprietary trading teams.
- **Restricted List:** Securities restricted for personal/employee trading are maintained.
- **Pre-clearance:** Employees must seek pre-approval before dealing in securities.
- **No Front Running:** Strict prohibition and surveillance.
- **Fair Treatment:** All clients receive equal priority in order execution.

6. Employee Obligations

All employees must:

- Avoid activities that create conflict with client interest.
- Disclose personal trading accounts and seek approvals.
- Not misuse unpublished price-sensitive information (UPSI).
- Report any suspicion of unethical behaviour or violation of this policy.

7. Disclosure to Clients

Yashwi shall disclose to clients:

- Any conflict of interest that may impact their trades, advice, or portfolio.
- Proprietary positions where relevant.
- Compensation arrangements or referral income received (if applicable).

8. Monitoring & Review

- Compliance and internal audit teams conduct regular checks for potential conflicts.
- Surveillance tools flag front-running, mismatched trade priorities, or insider activity.
- This policy is reviewed **annually** or upon regulatory change.
- Training is provided to all employees on ethical practices and conflict management.

9. Whistleblower Mechanism

Employees and clients are encouraged to report any conflict of interest or unethical behaviour through an anonymous and protected whistleblower channel.

10. Consequences of Violation

Any breach of this policy may lead to:

- Disciplinary action including termination.
- Regulatory reporting to SEBI/Exchange.
- Legal consequences including penalties and license suspension.