



# Policy for Dealing with Conflict of Interest

*(version 1.1 dated 15.10.2024)*

## Introduction:

Securities and Exchange Board of India ('SEBI') vide its Circular No. CIR/MIRSD/5/2013 dated August 27, 2013 has notified General Guidelines for intermediaries, recognised stock exchanges, recognised clearing corporations, depositories and their associated persons in securities market (hereinafter referred to as 'Guidelines') with the objective of avoiding or dealing with or managing conflict of interest by them. According to these Guidelines, all intermediaries including the Research Analyst(s) or Research Entity are required to put in place a Conflict of Interest Policy (hereinafter referred to as 'Policy').

On the lines of Principle 8 of the International Organisation of Securities Commissions (IOSCO) Objectives and Principles of Securities Regulations, in adherence to applicable rules and regulations, GEPL Capital Private Limited ("GEPL") it has been decided to put in place comprehensive guidelines for elimination of the conflict of interest of our entity and Research Analyst (as defined), as detailed hereunder.

## Applicability:

This Policy shall be applicable to the Research Analyst. It shall also be applicable to an associated person who reports directly or indirectly to the Research Analyst.

## Purpose:

The purpose of this Policy is to set out the approach to identify and manage conflicts of interest which may arise during the course of business activities. 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.

## Definitions:

1. "**Research Analyst**" means a person who is primarily responsible for-
  - i. preparation or publication of the content of the research report; or
  - ii. providing research report;
  - iii. making 'buy/sell/hold' recommendation;
  - iv. giving price target; or
  - v. offering an opinion concerning public offer

with respect to securities that are listed or to be listed in a stock exchange, whether or not any such person has the job title of 'research analyst' and includes any other entities engaged in issuance of research report or research analysis.

*Explanation-* The term also includes any associated person who reports directly or indirectly to such a research analyst in connection with activities provided above;

2. **“Research Report”** means any written or electronic communication that includes research analysis or research recommendation or an opinion concerning securities or public offer, providing a basis for investment decision and does not include the following communications: -
- i. comments on general trends in the securities market;
  - ii. discussions on the broad-based indices;
  - iii. commentaries on economic, political or market conditions;
  - iv. periodic reports or other communications prepared for unit holders of mutual fund or alternative investment fund or clients of portfolio managers and investment advisers;
  - v. internal communications that are not given to current or prospective clients;
  - vi. communications that constitute offer documents or prospectus that are circulated as per regulations made by the Board;
  - vii. statistical summaries of financial data of the companies;
  - viii. technical analysis relating to the demand and supply in a sector or the index;
  - ix. any other communication which the Board may specify from time to time.

### **Disclosures in Research Reports:**

Research analyst shall disclose the following in research report and in public appearance with regard to ownership and material conflicts of interest:

- i. whether the research or his associate or his relative has any financial interest in the subject company and the nature of such financial interest;
- ii. whether the research analyst or its associates or relatives, have actual/beneficial ownership of one per cent. or more
- iii. whether the research analyst or his associate or his relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance.

### **Research Analyst shall:**

- (1) Personal trading activities of the individuals employed as research analyst shall be monitored, recorded and wherever necessary, shall be subject to a formal approval process.
- (2) Individuals employed as research analyst shall not deal or trade in securities that the Research Analyst recommends or follows within thirty days before and five days after the publication of a research report.
- (3) Individual employed as research analysts shall not deal or trade directly or indirectly in securities that he reviews in a manner contrary to his given recommendation.
- (4) Individuals employed as research analysts shall not purchase or receive securities of the issuer before the issuer's initial public offering, if the issuer is principally engaged in the same types of business as companies that the research analyst follows or recommends.

- (5) Notwithstanding anything contained in sub-regulations (2) to (4), such restrictions to trade or deal in securities may not apply in case of significant news or event concerning the subject company or based upon an unanticipated significant change in the personal financial circumstances of the research analyst, subject to prior written approval as per the terms specified in the approved internal policies and procedures.
- (6) Research analyst shall not publish or distribute research report or research analysis or make public appearance regarding a subject company for which he has acted as a manager or agent at any time falling within a period of:
  - i. Forty days immediately following the day on which the securities are priced if the offering is an initial public offering; or
  - ii. Ten days immediately following the day on which the securities are priced if the offering is a further public offering.

Provided that research may publish or distribute research report or research analysis or make public appearance within such forty days and ten day periods, subject to prior written approval of Director or Compliance Officer.

- (7) Research analyst shall not participate in business activities designed to solicit investment banking or merchant banking or brokerage services business, such as sales pitches and deal road shows.
- (8) Research analyst shall not engage in any communication with a current or prospective client in the presence of personnel from investment banking or merchant banking or brokerage services divisions or company management about an investment banking services transaction.
- (9) Research analyst shall have adequate documentary basis, supported by research, for preparing a research report.
- (10) Research analyst shall not provide any promise or assurance of favourable review in its research report to the Client or Investor as consideration to commence or influence a business relationship or for the receipt of compensation or other benefits.
- (11) Research analyst shall not issue a research report that is not consistent with the views of the Company.
- (12) lay down policies and internal procedures to identify and avoid or to deal or manage actual or potential conflict of interest;
- (13) 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;
- (14) develop measures to prevent or limit any person from exercising inappropriate influence over the way in which the services are carried out;
- (15) at all times maintain high standards of integrity in the conduct of his business;
- (16) ensure fair treatment of his clients and not discriminate amongst them;

- (17) ensure that his personal interest does not, at any time conflict with his duty on his clients and client's interest always takes primacy in his advice, investment decisions and transactions;
- (18) make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair his ability to render fair, objective and unbiased services;
- (19) endeavour to reduce opportunities for conflict through prescriptive measures such as through information barriers to block or hinder the flow of information from one department/unit, if any, to another;
- (20) place appropriate restrictions on transactions in securities while handling a mandate of issuer or client in respect of such security so as to avoid any conflict;
- (21) not deal in securities while in possession of material non published information;
- (22) not to communicate the material non published information while dealing in securities on behalf of others;
- (23) not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;
- (24) not have an incentive structure that encourages sale of products not suiting the risk profile of his clients;
- (25) not share information received from clients or pertaining to them, obtained as a result of their dealings, for his personal interest.

For **GEPL Capital Private Limited**

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