

RAJESH BAHETI

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Outsourcing Policy of M/s Rajesh Baheti

Date of Making: 06th January, 2017

1. Outsourcing definition

Outsourcing refers to use of third party- either within or outside the group to perform the activities associated with intermediary officers. Such use may be for specific period or on continuing basis.

2. Background

The risks associated with outsourcing may be operation risk, reputational risk, legal risk, country risk, strategic risk, exit- strategy risk, counter party risk, concentration and systemic risk. In order to address the concerns arising from the outsourcing of activities by intermediaries based on the principles advocated by the IOSCO and the experience of Indian markets, SEBI had guideline under CIR/MIRSD/24/2011 dated December 15, 2011, a concept on outsourcing of activities related to services offered by intermediaries.

- RB, in any circumstance, shall not outsource the core business activities such as execution of orders and monitoring of trading activities of clients activities, order punching, monitoring of trades, risk management and its compliance towards SEBI, Exchanges or other regulatory. It also shall not outsource its obligations of reporting of any suspicious transactions / reports to FIU or any other competent authority in respect of activities.
- RB doesn't intend to outsource its activities. However, in case any of the functions are to be outsourced, the same shall be done with approval of Proprietor. RB shall perform proper due diligence, evaluation of risk concentrations, limits on the acceptable overall level of outsourced activities, risks arising from outsourcing multiple activities to the same entity at the time of selection of third party to whom it can be outsourced.
- RB shall ensure that outsourcing arrangements, if undertaken, neither diminish its ability to fulfill its obligations to customers and regulators, nor impede effective supervision by the regulators and shall be fully liable and accountable for the activities that are being outsourced to the same extent as if the service were provided in-house.
- RB shall ensure that outsourcing relationship shall be governed by written contract/ arrangement/term & conditions. RB shall also take appropriate steps to protect confidential information of both RB and its Clients from intentional and inadvertent disclosure to unauthorized persons.

