

OUTSOURCING POLICY

ELITE WEALTH LIMITED

1. Objective

This Outsourcing Policy has been formulated in accordance with the SEBI Circular No. SEBI/HO/MRD/DP/CIR/P/2017/101 dated September 13, 2017, SEBI Circular CIR/MIRSD/24/2011 dated December 15, 2011 on “Guidelines on Outsourcing of Activities by Intermediaries,” and subsequent circulars and directions issued by SEBI and recognized stock exchanges.

The objective of this policy is to ensure that any outsourcing arrangement entered into by Elite Wealth Ltd. (“the Company”) does not compromise regulatory compliance, client interest, or the integrity of the market.

2. Scope and Applicability

This policy applies to all departments, business units, and employees of Elite Wealth Ltd. It governs the outsourcing of any activity (core or non-core) to third-party service providers, both within and outside India.

3. Definition

- **Outsourcing** refers to the use of a third-party service provider to perform activities that would normally be undertaken by the intermediary itself, now or in the future.
- **Service Provider** refers to any third-party entity, individual, or group contracted by Elite Wealth Ltd. to perform an outsourced activity.
- **Core Activities** are those that are critical to the functioning of the intermediary and must not be outsourced.
- **Non-Core Activities** are support or ancillary functions that may be outsourced under prescribed controls.

4. Core Activities (Non-Outsourceable Functions)

Elite Wealth Ltd. shall **not outsource any core activities**, which include, but are not limited to, the following:

- 1. Execution of orders on behalf of clients**
- 2. FIU-IND Suspicious Transaction Reporting (STR) Function**
- 3. Risk Management System (RMS) Function**
- 4. Compliance Function**
- 5. Clearing and Settlement Function**
- 6. Client Account Settlement Function**
- 7. Depository Participant Operations and Client Account Management**

These activities are integral to regulatory compliance and client protection, and therefore, shall be retained entirely under in-house control.

5. Permissible Outsourcing (Non-Core Activities)

Elite Wealth Ltd. may outsource certain non-core and support activities to qualified service providers, subject to due diligence and oversight, such as:

- IT infrastructure management, software development, or maintenance support;
- Record management and archival services;
- Facility management and housekeeping;
- Call center/helpdesk services (excluding client order execution or advisory);
- HR and payroll management;
- Data entry and back-office support functions;
- Cloud-based data storage (subject to SEBI-prescribed safeguards).

6. Principles Governing Outsourcing

Elite Wealth Ltd. shall adhere to the following principles as outlined by SEBI:

- 1. Due Diligence:** Prior to outsourcing, comprehensive due diligence shall be conducted on the service provider's competence, financial soundness, security framework, and past track record.
- 2. Written Agreement:** All outsourcing arrangements shall be formalized through legally binding written agreements defining rights, responsibilities, confidentiality, dispute resolution, and termination clauses.
- 3. Confidentiality:** The service provider shall maintain strict confidentiality of client data and company information, ensuring compliance with SEBI (Stock Brokers) Regulations, 1992 and SEBI (DP) Regulations, 2018.
- 4. Access to Information:** SEBI, stock exchanges, and other regulators shall have unrestricted access to data, records, and premises related to the outsourced activity.
- 5. Business Continuity:** The Company shall ensure that outsourcing arrangements include a robust business continuity and disaster recovery framework.

6. **Monitoring and Review:** Periodic review of all outsourcing arrangements shall be conducted to assess performance, compliance, and risk.
7. **Client Interest Protection:** Outsourcing must not result in any compromise to client interest, investor grievance redressal, or market integrity.

7. Roles and Responsibilities

- **Board of Directors:** Shall approve the Outsourcing Policy and oversee significant outsourcing arrangements.
- **Compliance Officer:** Shall ensure that all outsourcing arrangements comply with SEBI and exchange requirements.
- **Designated Department Heads:** Shall identify potential outsourcing activities, evaluate risks, and ensure compliance with this policy.
- **Outsourcing Oversight Committee:** (if applicable) may be constituted to monitor and review the risk and performance of service providers periodically.

8. Risk Management

Before entering into any outsourcing agreement, Elite Wealth Ltd. shall:

- Identify and assess operational, reputational, legal, and concentration risks;
- Ensure no conflict of interest arises;
- Implement adequate controls to monitor outsourced activities;
- Maintain an internal register of all outsourced activities and service providers.

9. Termination and Exit Strategy

The outsourcing agreement shall include clear termination clauses and an exit strategy to ensure continuity of operations and seamless transfer of functions back to the Company or an alternate service provider without disrupting client services.

10. Record Maintenance

The Company shall maintain all records of due diligence, risk assessment, agreements, performance reviews, and audit reports related to outsourced activities for a minimum period prescribed by SEBI.

11. Audit and Reporting

Internal Audit shall verify compliance with this policy annually. Any significant deficiencies shall be reported to the Compliance Officer and rectified promptly.

12. Review of Policy

This policy shall be reviewed annually or as and when required due to changes in SEBI guidelines, business environment, or regulatory expectations. Any amendments shall be approved by the Board.

13. Effective Date

This Outsourcing Policy shall come into effect from the date of approval by the Board of Directors and supersedes any prior version of the policy

Approved By:

Board of Directors
Elite Wealth Ltd

Last Review Date-25.07.2025

Next Review Due:24.07.2026