

Conflicts of Interest Policy

Introduction

Securities & Exchange Board of India (SEBI) vide its circular no. CIR/MIRSD/5/2013 dated August 27, 2013 laid down general guidelines for dealing with conflict of interest of intermediaries, recognized stock exchanges, recognized Clearing Corporation, depositories and their associated person in securities market.

SEBI decided to put in place comprehensive guidelines to collectively cover such entities and their associated persons, for elimination / avoidance of their conflict of interest and educating the Associated Persons as defined in Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007 for the compliance of the guidelines.

In order to ensure the protection and priority of client's interests and to comply with the applicable regulations, the Company have framed a policy and procedures and aims at preventing situations involving conflicts of interests and resolving such situations if they could arise.

This Policy is not intended to, and does not create third party rights or duties that would not already exist if the Policy had not been made available.

Objectives of Policy

The main objective of the policy is to promote high standards of integrity in the conduct of business and to ensure fairness of dealing with clients. The policy aims to ensure that the Company's clients are treated fairly and their interests are protected at all times.

Conflict of Interest

Conflicts of Interest can be defined in many ways, including any situation in which an individual or corporation (either private or governmental) is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit. A conflict of interest exists when a party to a transaction could potentially make gain from taking actions that are detrimental to the other party in the transaction.

Identification of Conflicts of Interests

The Company shall take adequate steps to identify conflicts of interest. In identifying conflicts of interest, the Company will take into account situations where the Company or an employee or a Related Person:

- a. Is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- b. Has an interest in the outcome of a service provided to the client or a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- c. Has a financial or other incentive to favour the interest of another client over another
- d. Carries out the same business as the Client; or –
- e. Receives from a person other than a Client an inducement in relation to a service provided to a Client, in the form of monies, goods or services, other than the standard commission or fee for that service.

Management of Conflicts of Interests

Employees are required to avoid conflicts of interest with activities they undertake outside the Company. Should a conflict of interest arise, it needs to be managed promptly and fairly.

In general, the procedures and controls that the Company follows regarding conflict of interest include the following measures:

- i. Chinese walls restricting flow of confidential and price sensitive information within the Company.
- ii. Restrictions on dealing in securities while handling client's mandate or while in possession of material non published information, or communicating such information while dealing on client's behalf, manipulating demand or supply of securities or influencing their market price;
- iii. Prevent or Control the exchange of information between relevant persons engaged in activities involving risk of conflict of interest where the exchange of that information may harm the interests of one or more clients;
- iv. Restrictions on divulgence of client's confidentiality unless required by or under the law;
- v. Ensuring that there is a clear distinction between the different departments' operations and sharing of information only on a "Need to Know Basis".
- vi. No single person will gather conflicting information, thus counterfeiting or hiding information from investors is minimized;
- vii. Each department will control the flow of information where, otherwise, the risk of conflict of interest may harm the interest of a Client;
- viii. Relevant information is recorded promptly in a secure environment to enable identification and management of conflicts of interests;
- ix. Adequate records are maintained of the services and activities of the Company where a conflict of interest has been identified;
- x. In certain jurisdictions appropriate disclosure may be made to the Client in a clear, fair and not misleading manner to enable the Client to make an informed decision;
- xi. If a potential conflict of Interest arises, the transaction must first be discussed with management before entering into the transaction.

All employees (including senior level employee) of the company shall follow, at all the times, the guidelines in order to deal with conflict of interest situations as enumerated herein below:

- i. To maintain, at all times, high standards of integrity in the code of conduct of our business.
- ii. To ensure fair treatment of our clients and not discriminate amongst them.
- iii. To ensure that personal interest of employees of Company will not, at any time, be in conflict with their duty to the clients of the company and client's interest always takes primacy w.r.t advice, investment decisions and transactions.
- iv. To make appropriate disclosure to the clients of the Company of possible source or potential areas of conflict of interest which would impair with company ability to render fair, objective and unbiased services.
- v. Endeavor 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 to another, etc.
- vi. To 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.
- vii. Not deal in securities while in possession of material non published information.
- viii. Not to communicate the material non published information while dealing in securities on behalf of others.
- ix. Not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities.

- x. Not have an incentive structure that encourages sale of products not suiting the risk profile of their clients.
- xi. Not share information received from clients or pertaining to them, obtained as a result of their dealings, for their personal interest.

Disclosure of conflict of interest

Where the organizational and administrative arrangements are not sufficient to ensure with reasonable confidence that the risks of damage of the client's interests will be prevented, the Company shall disclose the general nature and/or source of conflict of interest to the Client before undertaking business on his behalf.

Disclosure to Clients should be done in sufficient detail to enable the Clients to make an informed decision.

If the Company does not believe that the disclosure is appropriate to manage the conflict, the Company may choose not to proceed with the transaction or matter giving rise to the conflict.

Review of Policy:

This policy may be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change the policy due to business needs.