



**CONFLICT OF INTEREST POLICY
OF
A. K. WEALTH MANAGEMENT PRIVATE LIMITED**

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Introduction:

A. K. Wealth Management Private Limited (“**the Company**” or “**Portfolio Manager**” or “**AKWMPL**”) is registered with the Securities and Exchange Board of India (“**SEBI**”) under the SEBI (Portfolio Managers) Regulations, 2020 (“**PM Regulations**”) (SEBI Registration No. INP000003674). AKWMPL is a wholly owned subsidiary company of A. K. Capital Services Limited (“**AKCSL**”) which is a public limited company listed on the BSE Limited (BSE) and also Category I Merchant Banker and Investment Adviser registered with SEBI.

The main object of AKWMPL is to carry on the business of Portfolio Management and activities related and incidental thereto. The Company may be subject to potential conflicts of interest whilst performing its duties towards the Clients and/or Investors (as defined below).

This Policy is an affirmation of the firm principle of the Company to provide professional service of the highest standard by following ethical standards and in effective compliance with the PM Regulations.

Applicability and Objective:

The SEBI (Portfolio Managers) Regulations, 2020 require portfolio managers to provide to the Clients a Disclosure Document as specified in Schedule V to the Regulations, which includes details of conflicts of interest related to services offered by group companies or associates of the portfolio manager. All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the Client’s portfolio. If the portfolio manager has group companies, a disclosure of conflict of interest related to services offered by group companies of the portfolio manager, if any.

This Policy covers AKWMPL, its employees, directors, officers, agents and representatives (collectively, the “**Relevant Persons**”, and each a “**Relevant Person**”). Any new employee of the Company shall be bound by the same policy from the date of joining. The Board of AKWMPL shall be responsible for the implementation of the Policy.

The objective of this Policy is to ensure that the Relevant Persons act in an independent manner and any transaction undertaken by them with any Relevant Party is at arm’s length basis. The Policy is intended to ensure that conflicts of interests are mitigated or avoided, as the case may be, and to ensure that the Interested Parties take rational steps in the process of identifying, making, monitoring and divesting investments of the Clients/ Investors by effectively managing conflicts of interests, if any. The Policy aims to safeguard the interests of the Clients/ Investors.

This Policy is also in addition to the provisions, if any, contained in relevant regulations/ circulars issued by Securities & Exchange Board of India (“**SEBI**”) from time to time regarding dealing with conflict of interest.

Definition:

- a. “**Act**” means Securities and Exchange Board of India Act, 1992, as amended from time to time.
- b. “**Board**” means Board of Directors of the Company.

- c. **“Client” or “Investor”** means an individual, partnership firm, entity, body corporate or such other person who enters into an agreement with the AKWMPL for advising or directing or undertaking on his behalf, (whether as a discretionary portfolio manager or otherwise) the management or administration of a portfolio of securities or funds.
- d. **“Company”** means A. K. Wealth Management Private Limited.
- e. **“Conflict of Interest”** means a situation where, in the framework of the activities of the Portfolio Manager, the interests of the Portfolio Manager and/or of their Clients/ Investors and/or of their employees are in competition, either directly or indirectly. Conflicts may arise whenever an employee takes an action or is put in a position that makes it difficult for the employee to perform his or her responsibilities objectively. The key element of any conflict of interest is a divergence of interest between the persons or entities involved or affected by the matter.
- f. **“Group Company” or “Group Companies”** for Portfolio Manager shall include it holding companies, subsidiary and fellow subsidiary companies, associates and subsidiary of a holding company to which it is also a subsidiary.
- g. **“Intermediaries”** and **“Associated Persons”** have the same meaning as defined in Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007
- h. **“PM Regulations”** means SEBI (Portfolio Managers) Regulations, 2020, as amended from time to time.
- i. **“SEBI”** means Securities and Exchange Board of India.

Wherever appropriate in this Policy, a singular term shall be construed to mean the plural where necessary and a plural term the singular. Similarly, any masculine term shall also be construed to mean the feminine or any other gender and vice versa.

Capitalised terms or words or phrases used herein but not defined above, unless the context otherwise requires, shall have the same meaning assigned to such terms in the Disclosure Document or the Act or the PM Regulations or Circulars notified by SEBI.

Identification of Conflicts of Interest

Subject to the applicable provisions of law for the time being in force, AKWMPL may be subject to certain conflict of interest while acting as a Portfolio Manager and discharging its obligations. For instance, while managing Portfolios and carrying out transactions of purchase and/or sale of securities on behalf of the Client(s), the following kinds of conflict may arise:

a. At the level of employees / directors of the Portfolio Manager

The employees / directors of the Portfolio Manager that provide services to the Portfolio Manager will have, in addition to their responsibilities for the Portfolio Manager, responsibilities for other projects, assignments and activities including activities similar to that of the Portfolio Management. Accordingly, they may have conflicts of interests in allocating management time and other resources.

b. At the level of managing Portfolios and carrying out transactions of purchase and/or sale of securities on behalf of the Client(s)

Such transactions may be initiated by/ through or facilitated by holding company, subsidiaries, fellow subsidiaries, associates, joint ventures, and other group companies. A. K. Stockmart Private Limited, a fellow subsidiary company, may be appointed as the brokers for execution of trades and/or act as a Depository Participant for holding securities of the Clients.

A. K. Capital Services Limited, holding company, might have managed or co-managed public offering of securities for the various investing companies or A. K. Capital Services Limited and/or its holding, subsidiaries, associates might have been mandated for any other assignment by investee companies in the past.

A. K. Capital Services Limited or its associates might have received any compensation from the investee companies in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services, financial services or any advisory services on any specific transaction.

A. K. Capital Services Limited or its holding, subsidiaries, associates or their respective representatives (directors, officers etc.) might have financial interests or beneficial ownership in various investee companies.

c. At the level of Group Companies

The holding, subsidiaries, group companies/affiliates of the Portfolio Manager are currently involved in a variety of business activities which are similar to the activities of the Portfolio Manager and may have a higher capital and performance track record and may independently have invested / invest subsequently in the investee companies at differential terms.

The Portfolio Manager may identify additional conflicts of interest situations from time to time, which will be managed/mitigated with the help of the principles identified herein and by also taking into account further processes which the Portfolio Manager may develop over the period of time.

Any such transaction involving conflict of interest shall be at the best available price and shall be in adherence with the regulatory requirements as applicable to the same from time to time.

Management and Mitigation of Conflicts

Some of the measures the Portfolio Manager will adopt to manage identified conflicts are set out below. The Portfolio Manager will take reasonable care that, in relation to each identified conflict, it acts independently to avoid material risk to the Investor interests.

(a) In managing the aforesaid conflicted transactions, the Portfolio Manager will have regard to its obligations under the Disclosure Documents and the Portfolio Management Agreement and will act in the best interests of its Clients/ Investors.

- (b) The Portfolio Manager will make efforts to see that any transaction involving a potential conflict of interest will be effected on terms that are not less favourable to the Clients/ Investors than if the potential conflict had not existed. The Portfolio Manager will place significant emphasis on its strong compliance culture, and the efficient operation of systems and controls, to manage issues such as conflicts of interest.
- (c) The Portfolio Manager will ensure that the interest of all the Clients/ Investors is paramount and all personal interests, relationships or arrangements, including those of its affiliated companies/entities do not work against the Investors' interest.
- (d) The Portfolio Manager will take appropriate measures intended to assure that it will not unfairly profit from any transaction between its affiliates/group entities and the Fund and all such transactions shall strictly be done on an arm's length basis. The Portfolio Manager will use reasonable efforts to apportion or allocate business opportunities among persons or entities to or with which they have fiduciary duties and other relationships on a basis that is as fair and equitable as possible to each of such persons or entities.
- (e) The Relevant Persons and their management personnel will devote so much of their time to the activity/ operations of the Company as is, in their judgment, reasonably required. The Portfolio Manager will take appropriate measures to appropriately create Chinese walls between the duties and obligations of the Relevant Persons towards the Company and any other activities carried out by the Relevant Persons.
- (f) The Portfolio Manager at all times maintain high standards of integrity in the conduct of its business.
- (g) The Portfolio Manager shall ensure fair treatment of its Clients/ Investors and not discriminate amongst them.
- (h) The Portfolio Manager shall ensure that its personal interest and that of the Relevant Persons does not, at any time conflict with their duty to the Clients and Client's interest always takes primacy in their advice, investment decisions and transactions.
- (i) The Portfolio Manager shall not have an incentive structure that encourages sale of products not suiting the risk profile of the Clients/ Investors.
- (j) The Portfolio Manager shall make appropriate disclosure to the Clients/ Investors of potential areas of conflict of interest which would impair its ability to render fair, objective and unbiased services.
- (k) The Portfolio Manager shall maintain confidentiality of unpublished price sensitive information of Portfolio Company/Prospect Company.
- (l) The Portfolio Manager shall not share information received from Clients/ Investors or pertaining to them, obtained as a result of their dealings, for its personal interest.
- (m) The investment decisions pertaining to various strategies of the Portfolio Manager would be in accordance with the investment objectives of the Clients and not the investment objectives of the Group Company.

(n) “Four-eye” principle should be applied to the dealing department, which means that at least one other person has to be informed or his/her approval taken before any activity is undertaken. This prevents any individual dealer from exerting improper influence.

Best practice to avoid Conflict of Interest

- (a) In case of Portfolio entities where the Group Companies have an outstanding exposure, the Portfolio Manager shall endeavour that for the primary market subscriptions by the Clients/ Investors, it shall have an engagement with the Portfolio Entities. The Portfolio Manager shall independently evaluate such investments on merits and shall be in accordance with the investment objectives and backed by justifications.
- (b) The Portfolio Manager shall endeavour to report and settle secondary market investments of listed securities by the Scheme through the Exchange Clearing Corporation of India. Further, such secondary market trades would be at arm's length and in lines with the best available prices of similar trades.
- (c) The Portfolio Manager would restrain from buying securities through off-market secondary market trades from its Group Companies.
- (d) The Investment decisions pertaining to the Clients/ Investors would be in accordance with the investment objectives contained in the Disclosure Document and the Portfolio Management Agreement.
- (e) The Investment in “Associates/Group Companies” of the Portfolio Manager and the maximum percentage of such investment therein shall be subject to the Disclosure Document, the Portfolio Management Agreement and applicable laws/regulations/guidelines issued from time to time.

Disclosure of Interest

The Directors of Portfolio Manager shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding at the beginning of the financial year or whenever there is any change in the disclosures already made.

Interest/concern in this context shall mean and include:

- i. Directors of Portfolio Manager holds more than 2% shareholding of that body corporate or
- ii. Director of Portfolio Manager is a Promoter, Manager (KMP), CEO of that Body corporate or
- iii. Directors of Portfolio Manager is a partner, controlling owner of other entity, as the case may be

If the Director of Portfolio Manager has interest in the Prospect Company and/or Portfolio Company, such interested party shall abstain from matters of discussion pertaining to that Prospect Company and/ or Portfolio Company.

Amendments:

The Company shall reserve the rights to make amendment to the Policy from time to time as it deems fit in accordance with the applicable laws, rules and regulations for the time being in force. In the event of any conflict between the provisions of this Policy and the Act or Regulations or Rules or any other statutory enactments, the provisions of such Act or Regulations or Rules or statutory enactments shall prevail over this Policy. Any subsequent amendment / modification in the Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.