



A. K. STOCKMART PRIVATE LIMITED

Policy on Conflict of Interest

VERSION 1.0

A. K. STOCKMART PRIVATE LIMITED



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1. Statement of Principle

A.K. Group conducts its business according to the principle that it must manage conflicts of interest fairly, both between itself including its employees and its clients and between one Client and another.

2. Introduction

As a financial services provider, the A.K. Group might face actual and potential Conflicts of Interest periodically. The policy is to take all reasonable steps to maintain and operate effective organizational and administrative arrangements to identify and manage relevant conflicts.

Senior management within the A.K. Group are responsible for ensuring that the systems, controls and procedures are adequate to identify and manage Conflicts of Interest. The Compliance and Legal Departments of A.K. Group assist in the identification and monitoring of actual and potential Conflicts of Interest.

We have business-specific procedures that address the identification and management of actual and potential Conflicts of Interest that may arise during business.

3. Objective

The Policy is designed to take all reasonable steps to identify and adequately manage Conflict of Interests entailing a material risk of damage to a client's interest. This policy specifies the Business requirement at group and divisional level, to have in place appropriate procedures and measures to identify and manage any such material Conflicts of Interest.

4. Scope

a) Conflict of Interests

1. For the purposes of this document this policy applies to those Conflicts of Interest that may give rise to a material risk of damage to the interests of a client. Conflicts of Interest may arise between:
 - a. The A.K. Group of Companies and a Client.
 - b. a Relevant Person and a Client.
 - c. Two or more Clients in the context of the provision of services to those Clients.
2. Examples have been included in Section 7 of this policy to illustrate a range of possible Conflicts of Conflicts of Interest Policy Interest that might arise in a global financial services provider.

b) Clients

For the purposes of this policy, Clients include:

Existing Clients and potential Clients and past Clients where fiduciary or other duties remain in place

c) Regulated Business

For the purposes of this policy, “Regulated Business” means all forms of sales and trading activities in securities and derivatives and their underlying, underwriting and placing activities, research and investment advice, custody, corporate finance and Advisory activities and lending services related to sales and trading activity.

d) Relevant Person

For the purposes of this policy, “Relevant Person” means any of the following: (a) a director or manager or appointed representative (or where applicable, tied agent) of the A.K. Group; (b) an employee of the A.K. Group or of an appointed representative (or where applicable, tied agent) of the A.K. Group as well as any other natural person whose services are placed at the disposal and under the control of the A.K. Group (c) a natural person who is involved in the provision of services to the A.K. Group or its appointed representative (or where applicable, tied agent) under an outsourcing arrangement for the purpose of the provision by the A.K. Group of investment services and activities.

e) Application

This policy applies to all divisions within the organizations. It also applies to Relevant Persons.

5. General Guidance

In identifying Conflicts of Interest, A.K. Group of Companies will consider all of the factual circumstances and will take into account, inter alia, whether the any of the Companies of A.K. Group, or a Relevant Person: is likely to make a financial gain, or avoid a financial loss, at the expense of the Client, directly or indirectly; has an interest in the outcome of a service provided to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's

interest in that outcome; has a financial or other incentive to favor the interest of a Client or group of Clients over the interests of another Client; carries on the same business as the Client; and/or receives or will receive from a person other than the Client an inducement in relation to a service provided to the Client, in the form of monies, goods or services, other than the standard

commission or fee for that service.

6. Examples of Potential Conflicts of Interest

Within a multi-service financial institution, Conflicts of Interest may arise in a variety of situations. Areas of concern include:

- the provision of investment research
- proprietary trading
- Corporate finance
- Personal account dealing
- Ownership interest

These are non-exhaustive examples of what may be considered typical conflicts of interest that may arise in relation to investment services provided by the Bank:

- We may engage in business and trading activities for our own account and/or Client accounts whilst other Clients are active in relevant markets at the same time.
- We may provide investment advice or portfolio management services to its clients and may also recommend or sell products mobilized by itself or affiliated companies.
- The A.K. Group or Relevant Person receives or provides substantial gifts or entertainment (including non-monetary inducements) that may influence behavior in a way that conflicts with the interests of the Clients of the Group.
- The Bank provides investment research in relation to an entity or group to which it also provides investment advisory services.

7. Identifying and Managing Conflicts of Interest

Should a Conflict of Interest arise, it must be managed promptly and fairly. As a minimum standard the A.K. Group has in place arrangements designed to ensure that:

- divisions and legal entities operate with appropriate independence from one another.
- there are effective procedures in place to control the flow of information where, otherwise, the risk of a Conflict of Interest may harm the interests of a client.

- Supervisory arrangements provide for separate supervision of staff where necessary for the fair management of Conflicts of Interest.

there are appropriate controls in place to identify and manage cross-board memberships and outside business interests of Relevant Persons; relevant information is recorded promptly in a secure environment to enable identification and management of Conflicts of Interest 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; appropriate inter- and intra-divisional escalation processes are in place and complied with where a Conflict of Interest has been identified or may be identified; adequate records are maintained of the services and activities of the Bank where a Conflict of Interest has been identified; where necessary, Relevant Persons may be asked to step aside from working on a specific transaction or participating in the management of a potential Conflict of Interest; where necessary, Relevant Persons are subject to personal account transaction rules; and there is a periodic review of the adequacy of the Bank's systems and controls.

7.1 Information Barriers

We respect the confidentiality of information it receives about its clients and operates a "Need to Know" approach and complies with all applicable laws with respect to the handling of that information. Access to confidential information is restricted to those who have a proper requirement for the information consistent with the legitimate interest of a client or A.K. Group.

The principal way in which we structure our business to manage Conflicts of Interest is through the maintenance of information barriers ("Chinese Walls") in accordance with the Chinese Wall policies which are designed to restrict information flows between different areas of the A.K. Group. Chinese Walls and other measures are put in place to enable the A.K. Group and Relevant Persons to carry out business on behalf of Clients without being influenced by other information held within the A.K. Group that may give rise to a potential Conflict of Interest. The A.K. Group also has in place secure and confidential systems maintained within the Control Room (part of the Compliance Department of the A.K. Group), to record material information to assist in the identification and management of potential Conflicts of Interest.

7.2 Identification and Management of Potential Conflicts of Interest

The policy requires that potential business be logged at the earliest possible time and prior to signing a confidentiality letter or mandate; receiving any non-



public information or making a commitment, verbal or written, to act for a client. This is to assist in the identification and management of potential Conflicts of Interest.

7.3 Measures of Control for Identification and Management of Conflicts of Interests

In managing a Conflict of Interest, it may be appropriate to use additional measures in the event that existing ongoing conflicts management measures are not sufficient to adequately manage the potential conflict, such as the following:

implementation of ad hoc transaction specific Chinese Walls or other additional information segregation methods following consideration of all the facts available to relevant management; escalation to senior management who have responsibility for the strategy of the A.K. Group and an appreciation of the relationship and reputation risks that may arise; declining to act.

8. Disclosure of Conflicts of Interest and Client Consent

As a financial services organization, the A.K. Group engages in many activities that may conflict with the interests of its clients. The A.K. Group has procedures to protect the Client's interests from conflicts that might arise from a firm's own activities. In certain circumstances, if some Conflict of Interest remains and, where permissible by local regulations, disclosure to an affected Client may be made to seek Client consent to act. Disclosure will be made of the general nature and / or sources of conflict to enable the Client to make an informed decision.

9. Register

The A.K. Group keeps and regularly updates a record of the types of Regulated Business activities carried out by or on behalf of the A. K. Group in which Conflicts of Interest entailing a material risk of damage to the interests of one or more Clients has arisen or, in the case of an ongoing Regulated Business service or activity, may arise.

The information contained within the register facilitates the effective identification and management of any potential Conflicts of Interest.

Examples of Conflicts of Interest

There are several standard situations where conflicts of interest are likely to arise. However, being too specific risks restricting the application of this Policy to the examples specifically mentioned.

Please note that this list of potential conflicts of interest is not exhaustive. Even if a particular situation is not expressly mentioned in the Annex, Associates are advised to disclose all situations which may result in a conflict of interest and, where appropriate, seek approval.



1. Personal Interest/Outside Engagement

- An Associate may not take or hold a personal financial interest in a transaction in which it is known that is or may be interested.
- While working for A.K. Group, an Associate shall not have a second job or any type of business relationship with a supplier, customer or competitor of A.K. Group.
- The following situations must be disclosed and are subject to approval:
 - Associate acts as official of, or as advisor to, any governmental agency which has regulatory or supervisory power over A.K. Group of Companies.
 - Ownership of more than 5% held by an Associate in a supplier, customer, service provider or competitor of A.K. Group.
 - Membership of Associates on board of directors, scientific advisory board or similar body of an external organization.

The following situations must be disclosed:

- Employment of, or (co-)ownership by, a Family Member of a supplier, customer or competitor of the A.K. Group of Companies
- Family Member acts as official of, or as advisor to, any governmental agency which has regulatory or supervisory power over Novartis.
- Any ownership of more than 5% held by a Family Member in a supplier, customer or competitor of A.K. Group of Companies.

2. Commissions, Fees, Gifts & Hospitality

- No Associate or Family Member may solicit or receive a fee, commission, or other favor from any actual or potential supplier, competitor or customer of A.K. Group of Companies.
- Other than customary gifts given on religious or festive occasions, gifts from actual or potential suppliers, customers or competitors of A.K. Group of Companies should not be accepted by an Associate. If in doubt about the value, the matter should be disclosed.



- Modest hospitality is an accepted courtesy in a business relationship. However, the recipient should never allow himself/herself to be in a position where his/her decision making might appear to have been influenced by accepting such hospitality. If in doubt the matter should be disclosed.
- The giving of gifts and hospitality by an Associate shall follow the General Guidance on Grants of the Group.

3. Employment of Family Members

The employment of a Family Member is not allowed in the following situations:

- The Associate is involved in the hiring decision concerning the Family Member.
- The Associate is in a supervisory, subordinate or control relationship with a Family Member.
- Where the employment of a Family Member creates any actual, perceived or potential conflict of interest the relationship must be disclosed. A.K. Group will make any reasonable effort to mitigate any such potential conflict of interest by transferring one or the other of the related Associates to another position.

4. No Use of A. K. Group's Assets and Confidential Information for Personal Business

- The use of Organizations assets by an Associate for personal business is not allowed.
- The use of confidential information by an Associate for personal business and insider trading is strictly prohibited. For further clarification please refer to the Disclosure Policy and the Insider Policy of A.K. Group