

# **KJMC Capital Market Services Limited**

## **Policy on Management of Conflict of Interests**

This policy is framed in compliance to the SEBI circular no. CIR/MIRSD/5/2013 dated August 27, 2013 or amended thereafter if any issued as General Guidelines for dealing with Conflicts of Interest of Intermediaries, Recognized Stock Exchanges, Recognized Clearing Corporations, Depositories and their Associated Persons in Securities Market. This document sets out the Policy on management of Conflict of Interest for KJMC Capital Market Services Limited, with intent to define a policy and procedure for dealing with Conflict of Interest and to effectively manage any conflicts of interest that may arise in carrying out its business. Senior Management is responsible for ensuring that the Company's systems, controls and procedures are adequate to identify and manage conflicts of interest.

KJMC CAPITAL MARKET SERVICES LIMITED policy on Conflict of Interest is defined as under-

In order to strive for achieving management of conflict of interests, KJMC CAPITAL MARKET SERVICES LIMITED shall endeavor-

- To promote high standards of integrity in the conduct of business
- To ensure fairness of dealing with clients
- To guide for identification, elimination or management of conflict of interest situations
- To provide a mechanism for review and assessment of the policy on conflict of interests

The conflict of interest policy aims to ensure that the Company's clients are treated fairly and at the highest level of integrity and that their interests are protected at all times. It also aims to identify conflicts of interest between:

- The Company and a Client
- Relevant Person and a Client
- Two or more Clients of the Company in the course of providing services to these Clients
- A Company service provider and a Client

In addition it aims to prevent conflicts of interest from adversely affecting the interest of its Client.

KJMC CAPITAL MARKET SERVICES LIMITED Conflicts of Interest Policy sets out how:

- The Company will identify circumstances which may give rise to conflicts of interest entailing a material risk of damage to our Clients' interests;
- The Company has established appropriate mechanisms and systems to manage those conflicts;

- The Company maintains systems designed to prevent damage to our Clients' interests through identified conflicts.

### **"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 is a manifestation of the moral hazard problem, particularly when a financial institution provides multiple services and the potentially competing interests of those services may lead to a concealment of information or dissemination of misleading information. 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 Relevant Person:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
- 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 favour the interest of one Client over another;
- Carries out the same business as the Client; or
- 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.

### **Potential Conflict of Interest**

Measures to avoid or to deal or manage actual or potential Conflict of Interests

Shall a conflict of interest arise, it needs to be managed promptly and fairly. The Company puts in place following arrangements to ensure that:

- i. There is a clear distinction between the different departments' operations;
- ii. No single person will gather conflicting information, thus counterfeiting or hiding information from investors is minimized;

- iii. The Company's employees are prohibited from investing in a financial instrument for which they have access to non-public or confidential information;
- iv. Transactions by the Company's employees are neither performed nor executed by themselves.
- v. Each department will control the flow of information where, otherwise, the risk of conflict of Interest may harm the interest of a Client;
- vi. Relevant information is recorded promptly in a secure environment to enable identification and management of conflicts of interests;
- vii. Adequate records are maintained of the services and activities of the Company where a conflict of interest has been identified;
- viii. 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. There is a periodic review of the adequacy of the Company's systems and controls.
- x. Employees are required to avoid conflicts of interest with activities they undertake outside KJMC CAPITAL MARKET SERVICES LIMITED.

KJMC CAPITAL MARKET SERVICES LIMITED or its associated persons shall disclose to a client any COI in respect of that client including measures taken to avoid or mitigate the conflict.

This Policy on management of Conflict of Interest offers general guidance in addition to KJMC CAPITAL MARKET SERVICES LIMITED policies and procedures and is not meant to replace any of those policies or procedures and shall be made available through KJMC CAPITAL MARKET SERVICES LIMITED website [www.kjmccapital.com](http://www.kjmccapital.com)

The Policy has been approved by the board on 06<sup>th</sup> November 2023

Reviewed by: Mr. Girish Jain, Designated Director