



Policy on Conflict of Interest

Name of Company	ValueQuest Investment Advisors Private Limited		
Applicability	Alternative Investment Funds registered with SEBI and being managed by Company		
Version	Approval Date	Created by	Approved by
1/2023	3 March 2023	Compliance team	Board of Directors
2/2023	4 August 2023	Compliance team	Board of Directors
3/2024	10 June 2024	Compliance team	Board of Directors



1. Introduction to the Policy

ValueQuest Investment Advisors Private Limited (the “Company” or “VQ”) is an Asset Management Company registered under Companies Act, 1956 and acts as the manager of below mentioned Alternative Investment Funds established and registered under the provisions of Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 read with amendments and circulars (“SEBI AIF Regulations” or “Regulations”).

Amicorp Trustees (India) Private Limited, acting as trustee on behalf of the below-mentioned Trusts has appointed ValueQuest Investment Advisors Private Limited as Investment Manager of the Funds launched under Trust (hereinafter referred to as “the Investment Manager” or “Manager”).

Trust	SEBI registration no	Trustee	Funds launched
ValueQuest Alternate Investment Trust	IN/AIF2/22-23/1156	Amicorp Trustees (India) Pvt. Ltd	ValueQuest S.C.A.L.E Fund
ValueQuest India Investment Trust	IN/AIF3/24-25/1508	Amicorp Trustees (India) Pvt. Ltd	VQ FasterCAP Fund

The Investment Manager is responsible for managing the affairs of the Funds and shall formulate policies and procedures in accordance with the Fund documents and applicable regulations for effective implementation and management of Fund(s) investments and operations.

The SEBI AIF Regulations stipulate an AIF and / or Investment Manager of the AIF shall have written policies and procedures to identify, monitor and appropriately mitigate conflicts of interest throughout the scope of its business.



2. Purpose and Scope

The Investment Manager may be subject to conflicts of interests, with respect to different schemes launched by them with respect to investors, investments and various other activities including decision making, day-to-day activities, etc. The Investment Manager and their affiliate/group entities, employees, agents, designated partners, partners, director, Sponsor, members of the Investment Committee, the trustee company, investment management team of respective Fund(s) shall be collectively referred to as 'Interested Parties'.

The purpose of this policy is to lay down the Investment Manager's approach to identify, monitor areas of conflict of interest and to manage such conflicts through appropriate mechanisms and processes. This policy lists down the key obligations of the Investment Manager with respect to identifying and managing conflicts of interest and also enlist potential conflicting situations.

3. Key obligations of the Investment Manager and Interested Parties

- i. The Interested Parties shall exercise a standard of good faith in their dealings with the Fund and any of its Portfolio Entities.
- ii. The Investment Manager will be transparent and make disclosures with respect to conflicts of interest situation that the Investment Manager determines may have arisen (or which seem likely to arise) between the Interested Parties and the Fund (or any of its Portfolio Entities).
- iii. The Investment Manager shall take all reasonable steps to identify, continuously monitor and manage conflicts of interest.

Additionally, the Investment Manager and Interested Parties shall:

- iv. Maintain high standards of integrity while conducting business.
- v. Ensure fair and just treatment towards the investors etc.
- vi. Ensure that personal interest does not conflict with the duty towards that of the investor. The interest of the investor is of the utmost importance.
- vii. Make appropriate disclosures to the investors of any possible conflict of interests which may affect the services.
- viii. Uphold confidentiality of information received from or pertaining to investors and also preventing such information from being used for personal interest.
- ix. Ensure that no contribution is made for manipulation of the demand for and supply of securities in the market or influencing prices of securities.
- x. Take into consideration any pre-existing relationships with prospective portfolio companies, where the Scheme may invest or their relationships with private equity sponsors and other investors (including institutional investors and their senior management).



- xii. Devote requisite time that may be necessary and required to each Fund ensuring that the management team of the Investment Manager will source transactions for each Fund taking in consideration the investment objective of the Fund.
- xiii. Disclose all transactions with any conflict of interest between the Fund(s) and the Investment Manager and the Interested Persons or any of its affiliates:

4. Identification of key areas of conflicts

Potential sources of conflicts of interests that the Investment Manager envisages during the operations of the Fund, which includes conflicts arising at following levels:

o At the level of employee of the management entity

The employees of the Investment Manager will only devote so much of their time to the Fund's operations as is, in their judgment, reasonably required. The employees that provide services to the Fund will have, in addition to their responsibilities for the Fund, responsibilities for other companies, projects and clients. Accordingly, they may have conflicts of interests in allocating management time and other resources amongst the Fund and such other companies, projects and clients. The employees may provide services to other entities/clients in financial services space and will not work exclusively for the Fund. The employees shall resolve any such conflict by allocating time (reasonably required in their best judgement) towards their obligations in respect of Fund and their other responsibilities towards other companies, projects and clients.

o At the level of service providers of the Fund

The attorneys, accountants, professionals and other service providers who perform services for the Fund may, and in some cases do, also perform services for the Interested Parties.

o At the level of the Investment Manager

Proprietary Trades: The Investment Manager is currently carrying out and may continue to carry out proprietary trading activities with a strategy which may be similar or at times different from that of the Fund. There might be a possibility that contra trades (opposite trades) are entered into at the same time by the Investment Manager on behalf of the Fund *vis-a-vis* its own proprietary money or its associates.

Allocation of Investments: The Investment Manager may be subject to conflicts of interest in allocating investment opportunities among the Fund, other funds managed



by the Investment Manager, other clients and/or towards the proprietary trading done by the Investment Manager. Investment opportunities identified by the Investment Manager may be suitable for the Fund, one or more clients managed or advised by the Interested Parties. The Investment Manager will endeavor to resolve any such conflicts in a reasonable manner taking into account, amongst other things, the investment objectives and policies of each fund / client, the remaining un-invested capital of each fund/scheme/client and the level of diversification of each fund/ client. However, there can be no assurance that the Fund will be allocated any particular investment opportunities that are identified by the Investment Manager. Furthermore, the Investment Manager shall have the right, in its discretion, to allocate any investment opportunities to the other funds /clients or to their own portfolios as long as all conflict of interest, if any, are communicated to the Investors.

○ **At the level of the Investor**

The Investment Manager (without any act, consent or approval of or notice to any investor) may enter into, deliver or perform written agreements or instruments to or with one or more Contributors of the Fund which have the effect of establishing different rights under, or altering or supplementing the terms of an investment in the Fund, including, without limitation, modifications of exit rights, fee arrangements and access to Fund information. Any rights established, or any terms of an investment in the Fund altered or supplemented in the Contribution Agreement, side letter (if any) entered into with an Investor will govern such Investor's investment in the Fund notwithstanding any other provision of the Fund Documents to the contrary.

○ **At the level of members of various governance bodies**

The members of governance bodies of the Investment Manager, in addition to their responsibilities for the Fund, will have responsibilities for other funds, projects and clients. Accordingly, allocating management time and other resources among the Fund and such other funds, projects and clients can be a challenge.

○ **At the level of the Sponsor/Investment Manager group entity, in relation to various schemes managed by the Sponsor/Investment Manager**

Inter-se different activities: The Investment Manager/Sponsor is involved, and its affiliates may be involved in variety of advisory, registered portfolio management services, investment-related activities including management of alternative investment funds, other funds and intend to continue to do so in the future. The Fund shall not have any rights in or to any cash receipts or profits of the Investment Manager and any of its affiliates from other activities. The Investment Manager/Sponsor and any of its affiliate/group may, from time to time, act as investment managers, portfolio managers



or advisers to other entities, companies or funds other than the Trust/Fund. It is therefore possible that the Investment Manager may in the course of their business have potential conflicts of interest inter-se different activities.

Transactions with Interested Parties: An Interested Party may receive certain fees for services performed for or on behalf of the Fund or any other entity or any other person in which the Fund or any other entity holds Portfolio Investments, including, without limitation, fees relating to broking activity and other products and services provided, directly or indirectly, to the Fund or any other entity or any other person in which the Fund or any other entity holds Portfolio Investments.

Market transactions involving Interested Parties: The proprietary activities/trading or portfolio strategies of the Interested Parties, or the activities or strategies used for accounts managed by the Interested Parties or other customer accounts, could conflict with the transactions and strategies employed in managing the Fund and affect the prices and availability of the securities and instruments in which the Fund will invest. Such transactions, particularly in respect of proprietary accounts/trades or customer accounts, will be executed independently of the Fund's transactions, and thus at prices or rates that may be more or less favorable. Issuers in whose assets or instruments the Fund has an interest may have publicly or privately traded instruments in which the Interested Party is a shareholder. An Interested Party's trading activities will be carried out generally without reference to positions held by the Fund and may have an effect on the value of the positions so held or may result in the Interested Party having an interest in the issuer adverse to that of the Fund. The results of the Fund's investment activities may differ significantly from the results achieved by an Interested Party for its proprietary accounts or accounts managed by them.

Investments in Portfolio Entities in which Interested Parties have Interests: The Fund may participate in Portfolio Entities in which Interested Parties have an existing investment or other interests, which may be on the same terms as the Fund's investment or on different terms. In such cases, there could be a potential conflict between the interests of the Fund and those of the Interested Parties. Any of the Interested Parties may deal in the securities/products (including handling assignment for Portfolio Entities/advising-managing any portfolio/fund consisting of such securities/products etc.) which are/may in future be a part of the Fund Investment. The timing/pricing/buy-sell decision under the dealing by such Interested Parties can be different from that of the Fund.

Few others:

- i. *Other Fees:* The Investment Manager, as investment manager of the Funds, may affect transactions in securities and/or provide services to Portfolio Entities in respect of which any of its affiliate/group entities may benefit from a commission or fee;
- ii. *Purchase from and sale of investments to Interested Parties:* The Investment Manager may purchase investments from or sell investments to Interested Parties. In such cases, conflicts may arise in determining the price and terms of the sale or purchase, as the case may be;
- iii. *Board of Fund Investment:* As part of its investment methodology, the Investment Manager may require Portfolio Entities to grant to the Fund a seat on the boards of directors of such Portfolio Entities. The seat will be filled by a nominee of the Investment Manager. As a consequence, such persons will have fiduciary and other duties to the Portfolio Entity, which may conflict with the interests of the Fund;
- iv. *Conflict in case of co-investment:* Co-investment by the eligible Contributors alongside the Fund is seen as a positive and motivating factor for such Contributors. However, conflicts of interest can occur if the eligible Contributor is permitted to invest on a deal-by-deal basis. Sometimes, providing a Co-Investment opportunity to the eligible Contributor might result in dilution of stake of the fund in the Portfolio Entity. The eligible Contributor may employ a person on the advisory board of such Portfolio Entity and may involve in decision making along with the Fund.

5. Management and Resolution of conflicts

On any matter involving a conflict of interest covered in para 4 above or any other potential areas of conflict of interest, which comes to or which is brought to the knowledge of the Investment Manager, the Investment Manager shall act in the best interests of the Funds and shall take such actions as are necessary to manage such conflicts of interest, including ensuring compliance with the applicable laws.

The Investment Manager will take reasonable care that, in relation to each identified conflict, it shall act independently to avoid any material risk to the interest of the investors. Some of the measures, the Investment Manager will adopt to manage identified conflicts are set out below:



- (a) In managing the aforesaid conflicted transactions, the Investment Manager will have regard to its obligations under the Fund Documents pertaining to the Fund and will act in the best interests of the Investors in the Fund.
- (b) The Investment Manager will be transparent with respect to conflicts of interest that the Investment Manager determines may have arisen in any transaction (or prospective transaction) between the Investment Manager and the Fund.
- (c) The Investment 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 Investors in the Fund than if the potential conflict had not existed. The Investment 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.
- (d) The Investment Manager will ensure that the interest of all the Contributors is paramount and all personal interests, relationships or arrangements of the Investment Manager and those of Interested Parties do not work against the Investors' interest.
- (e) The Investment Manager will take appropriate measures intended to assure that it will not unfairly profit from any transaction between its affiliates/group companies/entities and the Fund and all such transactions shall strictly be done on an arm's length basis. The Investment 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, including the Fund.
- (f) The Interested Parties and their management personnel will devote so much of their time to the Fund as is, in their judgment, reasonably required.

6. *Review of Policy*

This policy will be reviewed annually or earlier, if required, in light of change in regulatory framework applicable on the AIF and / or business reasons, if any.