

CRESCENT FINSTOCK LTD.

“CODE OF CONDUCT OF PREVENTION OF INSIDER TRADING”

Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

introduction & Objectives:

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in securities and to regulate the securities market has since formulated the SEBI (Insider Trading) Regulations, 1992 under the powers conferred on it under the SEBI Act, 1992. These regulations came into force with effect from 19th November 1992 and the same were made applicable to all companies whose shares were listed on Indian stock exchanges. These regulations, seek to govern the conduct of the person(s) enacted with the company and who is / are expected to have access by virtue of such connection with the company, to unpublished price sensitive information in regard to the shares and other securities of the company

1. The objective of the Regulations is to prevent insider trading by prohibiting dealing, communicating or counseling on matters relating to insider trading.
2. It further provides that no insider
 - (i) Either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information, or
 - (ii) Communicate, counsel or procure, directly or indirectly, unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities.Such restriction shall not be applicable to any communication required in the ordinary course of business or under any law.
3. It also provides that no company shall deal in the securities of another company or associate of that other company while in possession of any unpublished price sensitive information.

The Policy and Obligations:

Crescent Finstock Ltd. (herein after referred to as "CFL") endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. CFL is committed to transparency and fairness in dealing in securities and in ensuring adherence to all laws and regulations.

Every director, officer & designated employee of CFL has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the company. No director, officer or employee may use his or her position or knowledge of any unpublished price sensitive information to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, CFL hereby notifies that this code of conduct, which has been made in pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended and may be modified by the Board of Directors of SREIL from time to time; is to be followed by all directors, officers, employees and connected persons.

Definitions

'Insider Trading': When insiders use unpublished price sensitive information to arrive at securities trading (including buying as well as selling) decisions, the action is referred to as insider trading;

'Insider' means any person who is or was a "Connected Person" or a "Deemed Connected Person" and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company or who has received or has had access to such unpublished price sensitive information;

'Company' means Crescent Finstock Ltd. [i.e., CFL];

'Compliance Officer' means a person designated as Compliance Officer and whose details are intimated to SEBI, BSE;

'Dealing in Securities' means buying, selling or agreeing to subscribe, sell or deal in any securities either as principal or agent and includes exercising of options;

'Designated Employee' shall include the following:

- All Directors of the Company
- All the Employees of the Research and Risk Dept.
- Any other employee of the Company who has access to price-sensitive information

'Price Sensitive Information' any information, which relates directly or indirectly to a company and which if published, is likely to materially affect the price of securities of Company.

'Public Areas' are areas / departments other than Inside areas and include the following:

- Accounts and Finance Department.
- Administration Department.
- Back Office including EDP Department.
- I. T. & Networking Department.
- Marketing Department.
- Settlement Department.
- Legal and Compliance Department.
- Human Resource Department.

'Relative': A person shall be deemed to be a relative of another if, and only if:

- (a) they are members of a Hindu undivided family; or
- (b) they are husband and wife; or
- (c) the one who are defined as related party as per the Companies Act, 1956

[Words and expressions not defined in these Regulations shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India Act, 1992.]

Compliance Officer Appointment & Duties

The company shall appoint a compliance officer and the compliance officer shall be a part of the top management or shall be directly reporting to the Chairman of the company. The duties of the compliance officer shall be:

The Compliance Officer is a responsible person of the organization and is required to be acting in lines with professionalism and take care as may be required under the Securities & Exchange Board of India Act, Rules and various other Regulations.

The Compliance officer role is to look after effective and proactive compliances as specified in various rules and regulations including circulars and notices issued by Securities & Exchange Board of India and Stock Exchanges.

The compliance officer will be required to work as a coordinating authority between the employees and the organization and will be the central person for taking any permission with respect to any dealing in client shares or any dealing of the employees.

In case of any deviation, Compliance officer keep the Board of Directors or such other persons authorized by Board of Directors informed about the same.

Code of Conduct for Prevention of Insider Trading

1. No person shall directly or indirectly use or employ in connection with the issue of purchase or sale of any security listed or proposed to be listed in the recognized Stock Exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of SEBI or rules made thereunder.
2. All the persons shall maintain the confidentiality of all price sensitive information & shall not pass such information directly or indirectly by way of making a recommendation for the purchase or sale of security.
3. Price sensitive information should be handled on “need to know” basis.
4. Files containing confidential information shall be kept in secured computer files & the files on electronic media shall be adequately secured by login or a password.
5. No person shall discuss, talk or communicate any price sensitive information to anyone in “public area”.
6. Any person shall not use price sensitive information for buying or selling of securities of any, sort, whether for their own account, their relative accounts or Organization’s firm’s account or a client’s account.
7. All persons who intend to deal in Client Company shall pre-clear the transactions as per procedure, described under the Regulation of SEBI.

8. All the persons shall execute their order within one week, after the approval of pre-clearance is given. If the order is not executed within one week after the approval, the pre-clearance is required once again.
9. Such persons shall hold their investment for minimum period of 30 days in order to be considered as held for Investment purpose
10. All such persons shall required to forward the details of security transaction including the statement of dependant family members in the format & within the time limit as prescribed under the regulations.
11. Any persons who trades in securities or communicates any information or counsels any person in trading in securities in contravention of code of conduct may be panelized & action may be taken under the SEBI Regulations.
12. In case of any observation regarding violation of code of conduct, the same shall be brought to the notice of Compliance officer or SEBI.

DO'S AND DON'TS: INSIDER TRADING

THE DO's:

- DO remember that it is a crime to trade securities based on "INSIDE INFORMATION"
- DO keep all insider information confidential.
- DO keep up to date with how trading laws and your company's trading policies apply to your position in the company, especially if you're an officer or director.

THE DON'Ts:

- DON'T ever trade securities on inside information.
- DON'T act on someone else's "hot tips" that might be based on inside information-it's just as illegal as trading on inside information you've learned about your own company.
- DON'T tell anyone inside information, not even family.
- DON'T "just recommend" a trade, even without giving a reason, based on inside information.
- DON'T give out untrue or misleading information that others might think is an insider tip.
- DON'T look for clever ways to trade on inside information. The Government, SEBI and the Exchanges have many more clever ways of catching inside traders.

For Crescent Finstock Limited

M.J.Chandrasekar
Designated Director