

CRESCO FUTURES LTD.

Policies and Internal Procedures / Internal Code of Conduct for the Company and its Employees for Dealing with Conflicts of Interest in performance of their Activities

Ref.: NSE Circular Download No. 24301 dated 29.08.2013 read with SEBI Circular No. CIR/MIRSD/5/2013 dated 27.08.2013

Introduction

SEBI vide its circular no. CIR/MIRSD/5/2013 dated August 27, 2013 issued a General Guidelines for dealing with Conflicts of Interest of Intermediaries, Recognised Stock Exchanges, Recognised Clearing Corporations, Depositories and their Associated Persons in Securities Market. SEBI decided to put in place comprehensive guidelines to collectively cover such entities and their associated persons, for elimination / avoidance of their conflict of interest and educating the Associated Persons as defined in Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007 for the compliance of the guidelines. SEBI advised to lay down, with active involvement of senior management, policies and internal procedures to identify and avoid or to deal or manage actual or potential conflict of interest, develop an internal code of conduct governing operations and formulate standards of appropriate conduct in the performance of their activities, and ensure to communicate such policies, procedures and code to all concerned.

We, being an Intermediary have formulated and implemented the policy as mentioned below.

The Company and its Employees shall:

1. at all times maintain high standards of integrity in the conduct of their business;
2. ensure fair treatment of their clients and not discriminate amongst them;
3. ensure that their personal interest does not, at any time conflict with their duty to their clients and client's interest always takes primacy in their advice, investment decisions and transactions;
4. make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair their ability to render fair, objective and unbiased services;
5. endeavor to reduce opportunities for conflict through prescriptive measures such as through information barriers to block or hinder the flow of information from one department / unit to another, etc.;

6. place appropriate restrictions on transactions in securities while handling a mandate of issuer or client in respect of such security so as to avoid any conflict;
7. not deal in securities while in possession of material non published information;
8. not communicate the material non published information while dealing in securities on behalf of others;
9. not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;
10. not have an incentive structure that encourages sale of products not suiting the risk profile of clients;
11. not share information received from clients or pertaining to them, obtained as a result of their dealings, for personal interest;

Policies and Internal Procedures to Identify and avoid or to deal or manage actual or potential Conflict of Interest

In order to strive to identify and manage the conflict of interests, Cresco 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(ies) 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
 - A Company of the Group and a Client
 - A Company service provider and a Client
- In addition it aims to prevent conflicts of interest from adversely affecting the interest of its Client.

The Company identifies 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. 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. In order to avoid, manage or deal with conflict of interest with the intermediary or the Associated Persons, it is important to identify the possible areas of conflict of interest. There are following list of areas of conflict of interest but not exclusive:

- i. Directorships or other employment;
- ii. Interests in business enterprises or professional practices;
- iii. Share ownership;
- iv. Beneficial interests in trusts;
- v. Personal Account Trading;
- vi. Professional associations or relationships with other organizations;
- vii. Personal associations with other groups or organizations, or family relationships;
- viii. Rebates;
- ix. Commission;
- x. Where the company has given any financial or other incentive to favour the interest of another client or group of clients over the interests of a client;
- xi. Where the company is likely to make a financial gain or avoid a financial loss at the expense of a client; and

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. Every department will control the flow of information where, otherwise, the risk of conflict of interest may harm the interest of a Client;
- iv. Adequate records are maintained of the services and activities of the Company where a conflict of interest has been identified;
- v. An 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;
- vi. There is a periodic review of the adequacy of the Company's systems and controls.
- vii. Employees are required to avoid conflicts of interest with activities they undertake outside.

Implementation and Review of policy of management on Conflict of Interest

Policy passed by the Board of Directors at their meeting held on 09.04.2015.

In case of any conflict in the interpretation or meaning of any sentences/words of our policy, the interpretation/meaning of Rules/Regulations/Circulars of SEBI/Exchange will prevail.

This policy will be reviewed at the interval of half year.