

Policy For Prevention Regarding Unauthenticated

News Circulation (version 2014-15)

Securities and Exchange Board of India (SEBI) vide its circular Cir/ISD/1/2011 dated 23rd March, 2011 has ordered restriction on transmitting 'unauthenticated news' by Broking houses and other SEBI registered Intermediaries on blogs, chat forums, messenger sites in an effort to prevent stock manipulation through unverified news and rumors.

The circular has been issued in order to cater to the damage that may be caused to the functioning of the market on account of spread of unauthenticated news/ rumors by people who come across such information in their normal course of activities.

The Guidelines issued by SEBI state as under:

1. To put in proper internal code and controls.
2. To observe that no employee/ temporary staff circulates/encourages any rumours/unverified information obtained from any client/industry/any trade or any other source without proper verification.
3. Access to blogs/chats/ messengers to be either restricted under supervision/ denied.
4. Logs of such blogs/ chats/ messenger to be treated as records and maintained.
5. Employees to be directed that any market related news received by them in any form to be forwarded only after the same is approved by the Compliance Officer. In case an employee fails to do so he shall be deemed to have violated the provisions of SEBI and shall be liable for action.

Steps mentioned below to prevent unauthenticated news circulation:

For prevention regarding unauthenticated news circulation we would like to disclose that we had taken the steps mentioned below to prevent unauthenticated news circulation:

1. Instruction to the dealers and employees that don't provide any tips and unauthenticated news to the clients on behalf of them & /or company &/or any unauthenticated agency.
2. We are advising regularly to the clients that prevent them regarding their attraction towards the sudden increase or decrease for the prices of penny or illiquid stock.
3. We had already informed to our employees that we are not providing any type stock news therefore they are also instructed that don't provide any type of stock related news &/or tips to the clients.



4. On technical level we had banned most of the websites including all Social Network Websites except various recognized Exchanges, SEBI, FMC, Government agencies and our company website with instructions to all our employees that if they use any unfair means to use the banned websites than the act will be considered as violations of company rules and regulations hence it will be considered for disciplinary action as per our company rules and regulations.
5. We had instructed our employees to always communicate with the clients through recorded phone lines and authorized emails of the company which are regularly inspected by compliance officer and IT officer.
6. We also instructed to our employees that never give advice to the clients regarding trading of penny or illiquid stocks.
7. We had informed to our employees that if we receive any complaint from any client and if found true regarding loss in the stocks advised by our employees than it will attract disciplinary action on the connected/related employee as per our company rules and regulations.
8. We are also in ongoing process to make our branches and employees to come under proper and adequate surveillance systems which will be inspected by our Compliance Officer and IT person on regular basis.
9. We had instructed strictly to all our employees that don't communicate with the company's clients with their personal communication means and if they breach the aforesaid instruction than the act will consider as violations of company rules and regulations which attract the disciplinary action.