Policy on Prohibition & Circulation of Unauthenticated Information

Introduction:

Securities and Exchange Board of India (SEBI) vide its circular Cir/ISD/1/2011 dated 23rd March, 2011 has ordered restriction on transmitting ‘unauthenticated Information’ by Broking houses and other SEBI registered Intermediaries on blogs, chat forums, messenger sites in an effort to prevent stock manipulation through unverified news/ information and rumors. Intermediaries need to have proper internal controls and ensure that proper checks and balances are in place to govern the conduct of their employees to prevent speculative Information and rumors.

The move follows growing concerns over some employees indulging into activities like fraud against the clients, front-running, circular trading and manipulating stock prices through rumor mongering. Market rumors can do considerable damage to the normal functioning and behavior ofthe market and distort the price discovery mechanisms.

Broking houses will also have to ensure that any market-related Information received by their employees, either in their official or personal mail, should be forwarded to clients only after the same has been approved by its compliance officer.

Scope:

Employees of the Company especially those who have access to market information viz. Dealers, Research Analyst, Equity/ Portfolio Advisors etc. shall not encourage or circulate rumors or unverified information obtained from client, industry, any trade or any other source without verification. Employees shall circulate only that information which is received from reliable sources only. If the source of the information is not verifiable, then such information may be used only after its use is approved by the Compliance Officer of the Company.

Illustrative list of Reliable Sources includes Information posted on websites of Government/Regulatory authorities, print media and their websites, Business Information Channels and such information which are communicated by the Corporates by way of press release.

Reporting:

Employees of the Company are obliged to promptly furnish any market related Information/information received by them from an unverified source /communication channel to the Compliance Officer of the Company and shall forward the same only after the same has been approved by the Compliance Officer.

Penalty:

Any employee of the Company who fails to observe the provisions of this policy shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liablefor penal action.

Nothing contained in this clause shall prevent the Company/ Management/ Compliance Officer to take appropriate action against such employee for breach of duty. The Compliance Officer of the company shall take all prudent steps to identify and restrict any act that may lead to violation of this policy.