

## **PolicyforUnauthenticatedNewsCirculation**

### **Introduction**

SEBI vide its circular Cir/ISD/1/2011 dated 23rd March, 2011 ordered restriction on transmitting 'unauthenticated news' related to various scrips 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 rumours. It is a well-established fact that market rumours can do considerable damage to the normal functioning and behaviour of the market and distort the price discovery mechanisms. Accordingly, SEBI has directed all intermediaries to frame policy on circulation of market news by staff members and have adequate controls in place for its circulation after ensuring that news being circulated is authentic news.

### **Objective**

The purpose of this policy is to Protect Investors by avoiding/restricting the unauthenticated news circulation related to various scrips by the Company's Employees/Temporary Staff or other dealing person of Smart Equity Brokers Private Limited.

### **What is unauthenticated market related news or rumours?**

Unauthenticated market related news or rumours may be defined as "information or news or talk or opinion widely disseminated with no discernible source or a statement or report without known authority for its truth."

### **What is Authenticated News?**

- News on any company/scrip would be said to be authenticated when such information has been: Disclosed/ confirmed by the Company through Stock Exchange/ SEBI or any other agency authorized to disseminate such information in its publication, in electronic form or otherwise.
- Reported in the Annual Report/prospectus/press release or any other official publication of the Company
- Disclosed in media i.e./public domain i.e. press report, television report, websites along with source of information and reports.

### **Code of Conduct:**

In order to prohibit circulation of unauthenticated news and rumours or unverified information obtained from client/ customer, industry, any trade or any other sources without verification, following guidelines are to be adhered to:

- Employees shall not circulate unauthenticated news related to various Scrips in blogs/chat forums/e-mail, social networking sites etc.
- Employees/ any other person employed/working with the Company should not encourage or circulate rumours or unverified information obtained from customer, industry, any trade or any other sources.
- Employees who are required to deal with any price sensitive capital market related information shall not in any circumstances be directly or indirectly involved in the spreading of any unauthenticated market-related news or rumours.
- Any market related news received by employees in their official mail/personal mail/blog should be forwarded only after the same has been approved by the Compliance Officer.

- Logs for any usage of such Blogs/Chat forums/Messenger sites shall be treated as records and the same shall be maintained as specified by the respective regulations which govern the concerned intermediary.
- Employeeesshallmaintainhighstandards of integrity and fairness in the conduct of duty and act with due skill, care and diligence.
- Employees shall ensure that they shall not create false market or indulge in any act detrimental to the investors' interest or which leads to interference with the fair and smooth functioning of the market.

**PolicyReview:**

This policy may be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change the policy due to business needs.