



Policy of Prevention Regarding Unauthenticated News Circulation

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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 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 rumours. 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/ rumours by people who come across such information in their normal course of activities.

Background & Objective:

The objective of this policy is to sensitize employees regarding the preferred manner of dealing with unauthenticated market related news or rumours circulating through various modes of communications. 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." This policy frames the guidelines for handling unauthenticated market related news and/or rumours as mandated by SEBI vide its circular No. Cir/ ISD/1/2011 dated March 23, 2011 and circular No. Cir/ ISD/2/2011 dated March 24, 2011.

Scope of the Policy:

In an effort to prevent manipulation of stock through unverified news and rumours, SEBI has directed market intermediaries to impose restrictions on employees transmitting 'unauthenticated news' through blogs, chats, messenger etc. Unauthenticated market related news or rumours circulated by various modes like chats, blogs, forums/messenger, emails etc. can cause considerable damage and affect normal functioning of the capital market and distort price discovery mechanisms.

Aim of the Policy

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.

Preventive Measures:

For prevention regarding unauthenticated news circulation we would like to disclose that we have 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 preventing them regarding their attraction towards the sudden increase or decrease for the prices of penny or illiquid stock.
3. We informed our employees that we are not providing stock news/tips therefore they are also instructed do not provide any type of stock related news &/or tips to the clients.
4. On technical level we had banned various 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 the banned websites for unfair means then 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 instruct 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 instruct our employees that never give advice to the clients regarding trading of penny or illiquid stocks.
7. 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 instruct strictly to all our employees do not communicate with the company's clients with their personal communication means and if they breach the aforesaid instruction then the act will be considered as violation of company rules and regulations which attract the disciplinary action.

Directives/ Code of Conduct:

All employees are therefore required to ensure the following:

1. Check origination or dissemination of unauthenticated market related news or rumours and to demonstrate to the regulator measures adopted for implementation of the policy;
2. Employees are prohibited from sharing and/or posting on social media channels any price sensitive information or any unauthenticated news or rumours ;

3. Employees including Directors/Officers/Contract Staff shall not circulate rumours or unverified information obtained from clients, industry, any other sources, without verification, through any means of communication, whatsoever.
4. Employee shall not deal with any price sensitive capital market related information whether authenticated or otherwise if it is not part of their assigned duties.
5. An employee who is 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.
6. Any unauthenticated market related news or rumours received by employee, either in his official mail / personal mail / blog or in any other manner should be forwarded only after the same has been seen and approved by the Compliance Officer.
7. Employees, while on duty, shall not access blogs/ Chat Forums/Messengers/ Social Network sites [unless in the normal course of his/her duties and approved by Compliance.]
8. The employees shall not upload sensitive Company related information on social media/information sharing sites. Any discrepancy noticed is liable for strict legal action, against the employee.
9. Usage of Blogs/Chat forums/Messenger/Social Network sites etc. shall be blocked/restricted.
10. Logs of usage of any external logs/Chat forums/Messenger /Social Network sites etc. wherever made available to the employees shall be treated as "records" and maintained/preserved for 8 years.

For **GEPL Capital Private Limited**

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