



# Policy On Unauthentic News and Rumours

## Objective

The objective of this policy is responsible handling of unauthenticated market related news or rumors circulated by SEBI Registered Market Intermediaries through various modes of communications.

To frame the guidelines for unauthenticated market related news or rumors as mandated by following Circulars issued by SEBI:

**SEBI references:**

SEBI circular No. Cir/ ISD/1/2011 dated March 23, 2011

SEBI circular No. Cir/ ISD/2/2011 dated March 24, 2011

## Scope of the Policy

Through these circulars SEBI has directed restrictions on transmitting 'unauthenticated news' by SEBI registered intermediaries on blogs, chat forums, messenger sites in an effort to prevent stock manipulation through unverified news and rumours.

Unauthenticated market related news or rumor's circulated by making use of various modes like chat forums/messenger, emails etc. can cause considerable damage to and affect normal functioning of the capital market and distort price discovery mechanisms.

Kalpalabdhi Financials Private Limited (KLFS) is required to ensure the following:

- i. Check origination or dissemination of unauthenticated market related news or rumours and to demonstrate to the regulator measures adopted for implementation of the policy;
- ii. to ensure all employees to know what they are allowed to and prohibited from sharing and/or posting on social media channels in relation to Company; and
- iii. outline the social media guidelines and protocols of the company.

## Definitions

- a. Unauthenticated market related news or rumours means "any information or news or talk or opinion widely disseminated with no discernible source or a statement or report without known authority for its truth"
- b. Employees" means Employees of Kalpalabdhi Financials Private Limited/temporary staff/consultants working in premises.
- c. News would be said to be authenticated when such information has been:
  1. Disclosed/confirmed by the Company through Stock Exchange/ SEBI or anyother agency authorized to disseminate such information in its publication, in electronic form or otherwise;
  2. Reported in the Annual Report/prospectus/press release or any other official publication of the Company;
  3. Disclosed in media i.e. press report, television report, websites along with source of



information and reports.

- d. Social Media: Any form of electronic communication or application that enables users to create online communities and share knowledge, opinions, media, and private and public messages.

## Compliance by employees

- a. Employee shall not deal with any price sensitive capital market related information whether authenticated or otherwise if it is not part of his assigned duties.
- b. employee who is required to deal with any price sensitive capital market related information shall not in any circumstances encourage or be directly or indirectly involved in the origination or spreading of an unauthenticated market related news or a rumor.
- c. 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 Compliance Officer.
- d. Employee while on duty shall not access blogs/ Chat Forums/Messengers/ Social Network sites [unless in the normal course of his/her duties.]
- e. 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.
- f. Usage of Blogs/Chat forums/Messenger/Social Network sites etc. shall be blocked/restricted.
- g. Logs of usage of Blogs/Chat forums/Messenger /Social Network sites etc. wherever made available to the employees shall be treated as "records" and maintained/preserved for 8 years.
- h. Any violation of the Code of Conduct would constitute an act of misconduct which may result in disciplinary action including termination of employment.
- i. Any Employee who suspects violation of the letter or spirit of the Code of Conduct, has an obligation to report their concerns to the Compliance Officer.

## Roles and Responsibilities of Compliance Officer

- a. shall make best efforts to prevent the spreading of unauthenticated market related news or rumors by employees of the intermediary.
- b. Document appropriate training policies and programs reasonably designed to ensure that employees comply with their responsibilities and obligations.
- c. Ensure affirmation of these policies by each employee periodically.



- d. Conduct periodic monitoring to ensure compliance with the laid down policies and act in case an employee is found violating the laid down policy.

This policy may be amended from time to time and all the staff members shall comply with the same.