

POLICY ON UNAUTHENTICATED NEWS AND RUMOURS/SOCIAL MEDIA POLICY¹
(Version 03)

Owner: Secretarial & Compliance Department
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1. Introduction/Background of the Policy:

(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 communication.)³

This policy emanates from Circular [() dated March 23, 2011 (issued by the Securities and Exchange Board of India (“SEBI”) including) addendum to the said circular dated March 24, 2011, Master Circular dated September 23, 2024 and such other Circulars issued in this regard from time to time (“SEBI Circulars”)]⁴ and FAQs issued by SEBI on responsible handling⁵ of unauthenticated market related news or rumours by SEBI Registered Intermediaries, in respect of “unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communications”.

SEBI has, through these SEBI Circulars, instructed all SEBI registered market intermediaries, which includes Central Depository Services (India) Limited (“CDSL”) to put in place proper (internal code of conduct, proper internal controls and proper checks and balances to govern the conduct of employees)⁶ with respect to sharing of unauthenticated market related news or rumours.

2. (Purpose of the Policy:

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.

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.)⁷

The main purpose of the said policy is to:

- 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 know what they are allowed to and prohibited from sharing and/or posting on social media channels in relation to Company;
- iii. outline the social media guidelines and protocols of the company.⁸
- iv. (prohibit employees from sharing and/or posting on social media channels any price sensitive information or any unauthenticated news or rumours or unverified

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⁸ Inserted vide ROC approval dated February 16, 2023

information obtained from clients, industry, any other sources, without verification, through any means of communication.)⁹

3. (Scope:

This Policy applies to all Employees of the Company.)¹⁰

4. Definitions:

i. Unauthenticated market related news or rumour:

Unauthenticated market related news or rumour 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”(; but will not include Opinions/views etc. expressed by the Company provided it has a demonstrable and rational basis and can be clearly stated as the opinion of the author.)¹¹

ii. (Employee(/s):

“Employees” include all Employees of CDSL, temporary staff, consultants, vendor staff and management trainees or interns, by whatever name called.)¹²

iii. Authenticated news:

News 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. press report, television report, websites along with source of information and reports.

iv. (Price-Sensitive Capital-Market related Information:

Price Sensitive Capital Market-related Information means such information which is classified as “Unpublished Price Sensitive Information” as defined under Regulation 2(1)(n) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.)¹³

v. 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.

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5. Roles & Responsibilities:

Code of Conduct for Employees¹⁴:

- i. Employees shall not deal with any price-sensitive capital market-related information whether authenticated or otherwise, if it is not part of their assigned duties.
- ii. An 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 rumours.
- iii. Any 'unauthenticated market-related news or rumours received by the 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.¹⁵ (Failure to do so shall be treated as a violation of the SEBI Act, 1992 and the Rules/Regulations framed thereunder and shall be liable for action.)¹⁶
- iv. Employees, while on duty, shall not access blogs/ Chat Forums/Messengers/ Social Network sites unless in the normal course of his/her duties.¹⁷
- v. ()¹⁸
- vi. (Employees should not encourage or circulate rumours or unverified information obtained from clients, industry, any trade or any other sources without verification.
- vii. Employees shall maintain high standards of integrity, promptitude and fairness in the conduct of their duties and act with due skill, care and diligence while dealing with any news or information which may be considered as an "unauthenticated market-related news or rumour".
- viii. 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.)¹⁹
- ix. All emails containing any unauthenticated information should contain a disclaimer.

Roles and Responsibilities of Compliance Officer:

The Compliance Officer shall:

- i. put in place adequate systems which shall make best efforts to prevent the spreading of unauthenticated market-related news or rumours by employees of the intermediary.
- ii. document appropriate training policies and programs reasonably designed to ensure that employees comply with their responsibilities and obligations under policy.
- iii. ensure affirmation of this Policy by each employee (annually)²⁰. (Further, the affirmation on behalf of vendor staff shall be obtained from the Vendor agency/organization appointing such vendor staff.)²¹

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¹⁵ Substituted vide ROC approval dated February 16, 2023

¹⁶ Inserted vide ROC approval dated April 01, 2025

¹⁷ Inserted vide ROC approval dated February 16, 2023

¹⁸ Deleted vide ROC approval dated February 16, 2023

¹⁹ Inserted vide ROC approval dated April 01, 2025

²⁰ Substituted vide ROC approval dated April 01, 2025

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- iv. conduct periodic monitoring to ensure compliance with the laid down policies and take action in case an employee is found violating the laid down policy.
- v. (report any cases of violations under this policy to SEBI in terms of extant SEBI Regulations.)^{22 23}

Social Media Guidelines:

- i. 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.
- ii. The employees should avoid posting and/or sharing offensive, discriminatory, and/or false information.
- iii. The employees must at all times refrain from commenting and sharing content, which is pornographic and/or contains anti-national slogans, vile, vitriolic and/or hate speech content.²⁴

Implementation:

1. Usage of Blogs/Chat forums/Messenger/Social Network sites etc. shall be blocked/restricted
2. Logs of usage of Blogs/Chat forums/Messenger /Social Network sites etc. wherever made available to the employees shall be treated as “records” under SEBI (Depositories & Participants) Regulations, 2018 as amended from time to time and maintained/preserved for a period of 8 years.²⁵
3. The Compliance Officer shall obtain an annual declaration from the employees regarding compliance with “Code of Conduct for Employees” mentioned above. (The annual declaration on behalf of vendor staff shall be obtained from the Vendor agency/organization appointing such vendor staff.)²⁶
4. Any violation of this Policy would constitute an act of misconduct which may result in disciplinary action including termination of employment.
5. Violations of this Policy may also constitute violation of the extant laws and may result in prosecution by regulatory authorities.
6. Any Employee who suspects violation of the letter or spirit of the Policy, has an obligation to report their concerns to the Compliance Officer.
7. (The Employee found guilty of any violation may be liable to civil and criminal prosecution under the prevailing laws.
8. In case of any need for clarification on whether any particular news is authentic or not for further dissemination, the employees must seek approval of their supervisor/head of department followed by an approval from Compliance Officer through e-mail along with the backups available on the news.)²⁷

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6. Review / Amendments to Policy:

- i. This policy shall be reviewed (once in every three financial years) ²⁸ by the (Regulatory Oversight Committee) ²⁹.
- ii. In the event of any conflict between any SEBI Circular(s) or any other statutory enactment(s) and any clause(s) of this Policy, the provisions of such SEBI Circulars or statutory enactment shall prevail over this Policy.
- iii. Any subsequent amendments/modification in the Circulars shall automatically apply to this policy.³⁰

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