

POLICY ON CIRCULATION OF UNAUTHENTICATED NEWS

1. BACKGROUND:

SEBI vide its circulars reference no. Cir/ ISD/1/2011 dated March 23, 2011 and Cir/ ISD/2/2011 dated March 24, 2011 have issued guidelines on unauthentic news circulation by SEBI Registered Market Intermediaries through various modes of communication.

It has been observed that market news related to various scrips circulated through blogs /chat forums / email etc. by employees without adequate caution can do considerable damage to the normal functioning and behavior of the market and distort the price discovery mechanisms.

In view of the above, PCS Securities Ltd (“the Company”) has prepared Policy on code of conduct on Circulation of Unauthenticated News (“Policy”).

2. OBJECTIVES OF THE POLICY:

The objectives of this policy are

- a) To ensure that there is no circulation of unverified information or rumours
- b) To Protect Investors by avoiding/restricting the unauthenticated news circulation related to various scrips by the Company’s Employees / Temporary Staff / Voluntary Workers or other dealing person and by company Infrastructure without adequate caution.
- c) To make the Employees aware about their obligations regarding circulation of market news and

3. APPLICABILITY:

- a) The Policy shall apply to all written communication/circulation of market related news by Employees within office premises and using communication facilities provided by the Company for official use.
- b) This policy shall be applicable to all Employees from the date of the circular. New Employees shall be bound by this Policy from the date of joining.

‘Employee’ shall include all full time employees, part time employees, temporary employees, and Whole Time directors of the Company.

4. OBLIGATIONS OF EMPLOYEES:

Employees are required to comply with the following:

- a) Employees shall not circulate or cause to circulate rumours or unverified information or Unauthenticated News related to various scrips in blogs/chat forums/e-mail etc.
- b) Employees are prohibited from encouraging or circulating rumors or unverified information obtained from client, industry, any trade or any other sources without verification.
- c) The employees will have to seek prior approval from the designated Compliance Officer of PCS Securities Ltd, Mr. Yuvaraj J e-mail: 'urajj@pcssecurities.co.in' before forwarding any market related news received by them either in their official mail/personal mail/blog or in any other manner and all the reporting with regard to violation of the same shall be done to the designated Compliance Officer.
- d) Logs for any usage of such Blogs/chat forums/Messenger sites (called by any nomenclature) shall be treated as records and the same should be maintained as specified by the respective Regulations which govern the concerned intermediary.
- e) Employees who disseminate information are required to keep records of the Source of such information which has been verified by them for a period of 5 years. In case such disseminate was based on specific approval from the Designated Compliance Officer, then such approval shall also be preserved for a period of 5 years.
- f) There shall be no Access to chat forums/ Messenger sites to all the staff. Only senior officials including Directors, Designated Compliance Officer and Manager have the access to the said. All the logs of such sites shall be treated as records and are maintained by the designated compliance officer for such period as prescribed by SEBI / Exchange in its Circulars / regulations from time to time.

5. CONSEQUENCES OF NON COMPLIANCE:

- a) If an Employee fails to adhere to abovementioned requirements, he/she shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liable for actions by SEBI as well as the Company. The Designated compliance officer shall also be held liable for breach of duty in this regard

- b) Any action taken by the Company shall not preclude SEBI from taking any action separately in case of violation

Breach of any of the requirements of the Policy shall be reported to the Top Management in order to determine the action to be taken in that regard. Such breaches may be reported to the Board of Directors or SEBI if required.