

MATHRAN SECURITIES PRIVATE LIMITED

Policy for Prevention of Circulation of Unauthenticated News

Policy created by : Compliance Head	Policy created on : 01/04/2024
Policy reviewed by : Internal Auditor	Policy reviewed on : 01/04/2024
Policy approved by : Board of Directors	Policy approved on : 10/04/2024
Periodicity of Review periodicity : Yearly / SOS	
Version number : V2024.01	Effective date of implementation : 10/04/2024
Officer responsible for implementation :	Mr. Arijit Chandra, Compliance Officer

Objective

The primary objective of this policy is to ensure that no staff member or representative of the organization circulates "Market Rumors" or unauthenticated information that may influence the price of securities or distort market integrity. This is in line with the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations.

Scope and Eligibility

This policy applies to all employees, sub-brokers, authorized persons, and temporary staff of the organization. It covers all modes of communication, including but not limited to:

- Official Email and Chat platforms (e.g., Bloomberg, Reuters, Teams).
- Personal social media used for professional purposes (WhatsApp, Telegram, X/Twitter).
- Verbal communication and SMS.

Core Guidelines

A. Prohibition of Unauthenticated News

- Staff members are strictly prohibited from circulating information that is not public or is based on hearsay/rumors.
- Information regarding listed companies, potential mergers, or regulatory actions must only be shared if it is sourced from recognized platforms (e.g., Stock Exchange filings, official company press releases, or news agencies like Bloomberg/Reuters).

B. Verification Process

- Before forwarding any news or information to clients or colleagues, the staff member must verify its authenticity.
- If the source of the news is not verifiable, the information **must not** be communicated.

C. Internal Reporting and Approval

- Any news or "market talk" received from external sources should be forwarded to the **Compliance Officer** or the designated **Head of Department (HOD)** for internal vetting.
- Only after written/email clearance from the Compliance Department can such news be circulated to clients.

Control on Communication Channels

- **Access Logs:** The IT department shall maintain logs of all outgoing emails and chat transcripts.
- **Restricted Sites:** Access to unauthorized blogs, chat forums, and social media sites may be restricted on official systems to prevent unintended leaks or rumor-mongering.
- **Mobile Usage:** Staff are discouraged from using personal mobile devices for professional client communication unless through recorded/monitored official apps.

Monitoring and Surveillance

The Compliance Officer shall conduct periodic reviews of:

1. Employee email logs on a sample basis.
2. Chat transcripts of the dealing/sales desk.
3. Patterns of trading following the circulation of specific news by the desk.

Penal Provisions

Any employee found in violation of this policy or the SEBI/NSE circulars mentioned above will be subject to internal disciplinary action, which may include:

- Formal warning and a negative entry in the HR record.
- Suspension or termination of employment.
- Reporting the violation to SEBI/NSE, which may lead to further legal consequences under the PFUTP Regulations.

Review Policy:

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.

The policy may be reviewed by the Managing Director/CEO and place the changes in policy before the Board at the meeting first held after such changes are introduced.

Policy communication:

A copy of the approved policy shall be made available to Compliance officer, Head of risk and Head of Operations.