

POLICY ON CLIENT CODE MODIFICATIONS & ERROR POLICY

The below mentioned policy on modification of Client codes in various Trades has been first approved by the Board of Directors in their meeting and are further reviewed. All the employees are required to follow the same and take due care for its proper implementation.

No client code modification will be allowed to be done other than as allowed by the Exchanges / SEBI.

The following policy is being laid down for clarity and avoid confusion:

1. The modification to the client code should not be encouraged to the clients except for cases where 'punching errors'/'typing errors' have occurred and such modification should be carried out only at the head office. The client / branch should inform the head office of the error during the market hours / time allowed by exchange to update the errors, so that appropriate corrections may be informed to the exchange. Penalty debited by the exchange for the modifications made may be debited to the respective client due to which the error has been made. In cases where a genuine error has occurred and the same is not known within the time period allowed by the exchange to rectify the errors, then such transactions should be transferred to the Error Account and the same should be liquidated only in the Error account as per the directions of the Directors/Compliance officer of the company. The responsibility for settlement of the error account transaction is of the company and the profit / loss on such transaction should be borne by the company only.
2. The reason for modification will be analyzed and only after establishing the genuineness of modification and the modification would be made. The voice recordings for such trades / deal slips shall be studied, if required.
3. Normally as a principle, other than for punching errors, no modification to the client codes be allowed.
4. It is imperative that the modification should be carried out after the same is approved by the Directors/Compliance Officer and only after his approval, the modification should be carried. The facility to modify the client codes should be available only with the Compliance Officer / Risk Manager at the head office and cannot be carried out at any branch office.

6. In case of modifications that have been reported after the closure of the direct modification time with the exchange then the same is taken to the Error account with the directors/compliance officer permission to make change in the back office.

7. Modification between two unrelated institutional clients:

Modification between client codes of two entities which are of the institutional category will be allowed only if the modification from both client codes is from different schemes / sub-accounts of / managed by the same institution. Such modification shall not be subject to penalty. For FPIs, the group will be considered as uploaded by Members under the facility of "FPI Client Mapping – File Upload. The Modification between client codes of two entities which are of the institutional category wherein modified client codes is from different schemes / sub-accounts of / managed by the different institution, then such modifications shall subject to penalty by Exchange as a percentage of modified trade turnover to the Institutional total turnover during the month of modification.