

CLIENT CODE MODIFICATON POLICY

➤ **Objective**

To frame the guidelines for modification to client codes post trade execution and reporting of such Client Code Modifications.

➤ **Client Code Modification:**

Client Code Modification means modification / change of the client codes after execution of trades. Stock Exchanges provide a facility to modify any client code after the trade has been executed to rectify any error or wrong data entry done by the dealers at the time of punching orders. However, such Client Code modification is subject to certain guidelines as to the time limit within which the client code modification is to be carried out, terminal / system on which such modifications can be done etc. The facility is mainly to provide a system for modification of client codes in case genuine errors in punching / placing the orders. To prevent misuse of the facility Stock Exchanges levy penalty / fine for all non-institutional client code modifications.

➤ **Monitoring of client code modifications :**

All modifications are to be done in our head office at Jaipur.

➤ **Risk Management policy/Internal control policy with respect to online client code modifications.**

The following procedures are adopted for online client code modification:

- 1. As soon as, such trades are entered/ come into knowledge while cross checking, reconciliation, confirmation etc. by dealer, they shall be brought into notice of Compliance Officer that wrong trade has been executed.*
- 2. Such trades shall be confirmed telephonically and then under the supervision of compliance officer, the modifications are done.*
- 3. After modification, the same shall be confirmed to respective clients and confirmed.*
- 4. The trade modifications shall be done only for genuine reasons. (Wrong punching of Codes or quantity).*
- 5. Client codes which are classified as 'Error Accounts' would be disclose, as and when required to the Exchange at the time of UCC upload.*

The Exchange has provided the facility of client code modification only to rectify genuine errors. Further, as per point 2 (a) and 3 (B) of the SEBI circular dated July 5, 2011, the following client code modifications would be considered as

genuine modifications, provided there is no consistent pattern in such modifications:

- i. Where original client code/name and modified client code/name are similar to each other but such modifications are not repetitive.*
- ii. Modification within relatives ('Relative' for this purpose would mean "Relative" as defined under the Companies Act, 1956).*
- iii. Error due to communication and/or punching or typing such that the original client code/name and the modified client code/name are similar to each other.*

➤ **Personnel Authorized for online modifications?**

- *Under instructions of Compliance Office Mr. Sandeep Sharma orders are to be modified by our operator Mr. Mukesh Sharma who is also a corporate manager. In case the same is at Branch level, what is the mechanism to communicate the same to HO?*

- *All Modifications shall be done at HO only.*

➤ **Is there any process by which compliance officer is being appraised with all such client code modifications?**

- *All instructions shall be issued by our Compliance Officer only and trade modification is done under his direct supervision.*

➤ **In case of high value client code modification any escalation mechanism in place?**

-*All modifications are to be done under instruction of Compliance officer hence there is no need for escalation mechanism.*

➤ **Any system of monitoring such online transfer of trades?**

-*It shall be done under active supervision of Compliance Officer.*

➤ **Steps to be followed to ascertain genuineness of such online client code modifications?**

The trades shall be brought into knowledge of Compliance officer and they shall be modified under his direct supervision of compliance officer after his satisfaction and confirmation.

The Exchange has provided the facility of client code modification only to rectify genuine errors. Further, as per point 2 (a) and 3 (B) of the SEBI circular dated July 5, 2011, the following client code modifications would be considered as genuine modifications, provided there is no consistent pattern in such modifications:

- 1. Where original client code/name and modified client code/name are similar to each other but such modifications are not repetitive.*
- 2. Modification within relatives ('Relative' for this purpose would mean "Relative" as defined under the Companies Act, 1956).*

3. *Error due to communication and/or punching or typing such that the original client code/name and the modified client code/name are similar to each other.*

➤ **Documents to be collected for ascertaining genuineness of such client code modifications?**

The effecting parties shall be informed telephonically and after their confirmation to compliance officer, the modification shall be executed. A list of relative shall be obtained

➤ **Procedure of intimation to clients & obtaining confirmations from them?**

- *Whenever applicable information shall be given to client telephonically or in writing.*

The above Policy has been put in Board Meeting held on 9th May 2012 and approved by Board of directors.