

POLICY ON CLIENT CODE MODIFICATION/ERROR ACCOUNT

This policy shall come in to force with effect from 01-09-2011

1. Object of the policy:

To frame the guidelines for modifications of client codes for non-institutional trades executed & reporting of such client code modifications to the exchange.

2. Brief about client code modifications:

Client code modification means modification/change of client codes after the execution of Trades. The stock exchange provide a facility to modify any client code after the trade has Been executed to rectify any genuine error or wrong data entry done by the dealer 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 of genuine errors while Punching/placing the orders. It is to be used as an exception & not as a routine. To prevent Misuse of the facility the stock exchange levy penalty/fine for all non-institutional client code Modifications

3. Scope of the policy:

This policy covers all the non-institutional client code modifications to be carried out in any Segment of the exchange where “sadco” is a member, subject to the guidelines issued by the SEBI/STOCK EXCHANGES from time to time.

4. “ERROR TRADES” means the trades which will be modified/to be modified/allowed to be Modified subject to the guidelines issued by the SEBI/STOCK EXCHANGES from time to Time & this policy.

5. Policy on client code modification:

1. “sadco” shall have an absolute discretion to accept, refuse or partially accept the client Code modification requests based on the risk perceptions & other factors consider Relevant by “sadco”. “Sadco” and/or any of its partners, employees, sub-brokers/

Authorized persons will not be held responsible for damages/losses due to such refusal
Or due to delay caused by such review

2. Client code modification requests will be strictly accepted only to rectify the genuine Error in entry of client code at the time of placing/modifying the relevant order
3. **“sadco” will allow modifications in the client codes for non-institutional clients only And for the following criteria provided there is no consistent pattern in such Modifications**
 - a) **Punching error/typing error of client codes due to any genuine errors or Mistakes in order entry while punching the order by any dealer**
 - b) **Trade entered for wrong client due to any miscommunication from Client/authorized representative of client**
 - c) **Modification within family members (spouse, dependent parents, dependent Children & HUF)**
4. For easy identification of “ERROR ACCOUNT” “sadco” will register a fresh Client code number **“E100”** as “ERROR ACCOUNT” in back office & same Will be uploaded in the UCC database of the exchange
5. Any transfer of trade (institutional or non-institutional) to “ERROR ACCOUNT” of “sadco” would be treated as modification of client code & would Not attract any amount of penalty, provided the trades in “ERROR ACCOUNT” are subsequently liquidated in the market & not shifted to some Other client code. However operational costs as applicable & profit/loss from the Transaction will be transferred to the concern dealer/sub-broker
6. Client code modification facilities shall be disabled from all the dealers terminals
7. Client code modification shall be carried out from Admin terminal after analyzing & verifying genuineness of modification
8. Client code modification request through “ERROR ACCOUNT” will be accepted only till 3.30 pm
9. As per SEBI circular dated 05-07-2011 on client code modification penalty will be levied on all the client codes modifications (including genuine error)

- 10. All cases of modification of client codes of non-institutional trades executed on the exchange & not transferred to “sadco’s error account”, shall be liable for a penalty of 1% of the value of non-institutional trades modified if value of non-institutional trades modified as a percentage of total value of non-institutional trades executed is less then or equal to 5% & penalty of 2% if modification exceeds 5%, in a segment during a month**
- 11. In addition to above “sadco” may impose additional penalties in case concerned
A dealer/sub broker fails to submit any valid reason for client code modification**
- 12. “sadco” will levy penalties as applicable in relation to client code modification on
Next day of modification date through JOURNAL VOUCHER (JV) in relation to
The same may be provided by the exchange on a later date**

This policy can be modified/amended /altered by “sadco” as required from time to time in compliance of the relevant notices/circulars in this regard

For & behalf of S.A.DESHPANDE & CO

Sd/-

**NILESH SHAH
Compliance officer & Partner**