

## **CLIENT CODE MODIFICATIONS POLICY**

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**Objective:** To set a standard procedure for client code modification post trade during the market hours as well as after the market hours.

This client code modification policy has been documented as per the SEBI Circular Ref. No. CIR/DNPD/6/2011 dated 5-July-2011, NSE/INVG/2011/18716 dated 26-Aug-2011, BSE's Notice No. 20110826-4 dated 26-Aug-2011.

**Applicability:** The policy will be applicable to all client code modifications carried out / to be carried out in any of the client accounts controlled by **Oswal Shares & Securities Ltd. (OSSL)**, subject to the guidelines issued by the SEBI / Stock Exchanges from time to time, in any segment of any exchange for which **OSSL** is a member broker.

**What is mean by client code modifications:** Client code modifications means modification / change of the client codes after execution of trades.

Client code can be modified on the platforms of the exchanges (NSE/BSE) 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 can be done keeping in mind the following.

- 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. It is to be used as an exception and not a routine. Stock Exchanges levy penalty / fine for all non-institutional client code modifications to prevent misuse of the facility.

**What constitute "Genuine Errors ":** The Circulars and clarification issued by SEBI and Stock Exchanges allow modifications of client codes of non-institutional trades only to rectify a **genuine error** in entry of client code at the time of placing / modifying the related order.

**Genuine Errors** means the trades which will be modified / to be modified / allowed to be modified subject to guidelines of the SEBI / Stock Exchanges and this policy.

For the purpose of this Policy, only the following types of trades shall be modified / allowed to be modified:

- Punching error / typing error of client codes due to any genuine error or mistake in order entry, while punching the order, by any of dealer.
- Trade entered for wrong client due to any miscommunication from the client / authorized representative of the client.
- Modification within Relatives (Relative as defined under section 6 of the Companies Act, 1956).
- Institutional trades modified to broker error/pro account.

## **General Conditions:**

- The facility for Client Code Modification can be used only in case of Genuine Error Trades.
- All such Genuine Error code modifications shall be carried out through UCC registered 'ERROR' account.
- The facility to modify the client codes should be available only at the Corporate Manager.
- Such Client Code Modification shall, subject to compliance of this policy, be carried out by RMS at HO.
- Training program should be conducted to all the dealers and they should be explained how code modifications can be misused and what steps should be taken to avoid the same.
- The client code modification / shifting of trades to Error account shall be done under the supervision and monitoring of the senior officer of the company, who shall also ensure that such modifications are not repetitive and no abuse of the system is taking place.
- In case of modifications in the client code for Institutional Clients, the same shall be done as per their instructions/advise such that the modified client is the same entity and the scheme has been changed, or if there is a genuine error by us while punching an order for an Institutional Client in the code of another Institutional Client, then the same shall be rectified using the Exchange provided facility.
- Whenever any trade, Institutional or Non-Institutional are shifted to the ERROR account, then such positions in the error account shall be subsequently liquidated / closed out in ERROR account in the market only and not shifted to some other client code.
- Any offline back office client code modification is strictly prohibited.
- The penalty or fine, if any, levied on OSSL by Exchanges/SEBI for any wrong trade occurred due to any error as specified above shall be borne by the client.