MAASHITLA SECURITIES (P) LIMITED

NSE MEMBER ID: 14323
BSE MEMBER ID: 6414
NSDL DP ID: IN303997

Policy on Error Account Policy / Client Code Modification

Registered Office: 451, Krishna Apra Business Square,

Netaji Subhash Place,

Pitampura, New Delhi-110034

Tel: 011-45121795

Compliance Officer: Mukul Agrawal

E-Mail Id: mukul@maashitla.com

Maashitla Securities (P) Limited

Policy on Error Account Policy / Client Code Modification

We Maashitla Securities (P) Limited, having Our Registered Office at **451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, New Delhi-110034.**

We are the Member of

*   **National Stock Exchange of India Limited and Our Member ID: 14323**

*   **Bombay Stock Exchange Limited and Our Member ID: 6414**

We are the Depository Participant of

- **NSDL having DP ID: IN303997**

Our Policy on Client Code Modification is as follows:

1. The modification to the client code is to be done only in exceptional cases and not as a routine one.

2. The reason for modification has to be ascertained and analyzed and genuineness is to be established and also its impact on the clients should be studied before the modification.

3. Normally as a principle, we are permitted to change client codes of non-institutional clients only for the following objective criteria;

   a. 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.

   b. Modification within relatives (Relative for this purpose would mean 'Relative' as defined under sec. 2(77) the Companies Act, 2013).

4. For easy identification of error account, we register a fresh client code as "ERROR" in the UCC database of the Exchange for the account which is classified as error account.

5. We will inform the respective Exchange, by end of day, the reasons for modification of client codes of non-institutional trades based on the aforesaid objective criteria.

6. Therefore it is imperative that the issue should be reported to the senior level Manager/Director and only with his approval, the modification should be carried after being satisfied that it is genuine, the same is required to be done to protect the interests of the client.

7. Hence the facility to modify the client codes should be available only at the Corporate Manager level and should not be given to the branches/franchise/sub-brokers.

8. 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. It also should be explained that code modifications should not be encouraged to the clients except for cases like 'punching errors'/'typing errors'.

Maashitla Securities (P) Limited

Policy on Error Account Policy / Client Code Modification

Client Code Modification and Error Code Policy

Client Code Modification is a massive problem of the organization. The main objective of the Company is to frame a policy for modification of client code for post trade execution and take the report on such modification of client codes. Further educate the dealers and create awareness among them about this policy.

☐ **Brief criteria about Client code Modification**

Client code modification means modification of client code after the execution of trade. The stock exchange provides a facility to modify the client code to rectify an error. Further only the genuine errors will be modified and after being transferred to 'Error Account'. The modification should be done within the Stock Exchange guidelines. The modification of client code is to be done only in exceptional cases and not in routine case.

☐ **Details about Genuine error**

The following trades shall be modified/ allowed to be modified, shall be treated as genuine error and transferred to Error Account.

I. 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.

II. Trade entered for wrong client due to any miscommunication from the client /authorized representative of the client.

III. Client code/name and modified client code/name are similar to each other but such Modifications are not repetitive.

IV. Family Code (spouse, dependent parents, dependent children and HUF)

V. Institutional trades modified to broker error/pro account.

☐ **Example of Genuine Error**

The criteria for determining the genuineness of client code modification are as follows:.

☐ Client code FA 1234 wrongly entered MN5678 would be constructed as intentionally committed whereas FA1234 entered as AF 1234 or FA 2341 may be a genuine punching error.

☐ **The Board and Management Directives**

The Board and Management has approved under mentioned policy in this regard and instructed all the office bearers to follow it strictly.

I (a) To control the punching error, it has been decided that client code mapping will be restricted in trading terminals.

(b) To create a separate error account in the name of "Maashitla Securities (P) Limited" as per the exchange circular.

(c) To maintained Client Modification registers with immediate effect for recording the errors.

(d) To review periodically list of inactive clients for marking in CTCL Surveillance System.

Maashitla Securities (P) Limited

Policy on Error Account Policy / Client Code Modification

II. Dealers are advised to hear patiently the client code /scrip name and reconfirm the same to their best possible efforts before placing order into the system.

III Department head/ compliance officer are advice to analyses the mistake and to take /implement corrective measures to their best possible efforts to minimize.

IV Department Head/ Compliance officer are advice to update the report to the Board / management on the implementation of the said policy periodically.

☐ **Reporting System**

☐ Client code modification issues should be reported to the Key Personnel and can be done only after getting approval after knowing it's genuinely as per exchange directives.

☐ Any client code modification shall be subjected to this policy be carried at Head Office of the company.

☐ The company review every day the Error Account file send by the Exchange.

☐ A separate register to be maintained by the company for above purpose where full details will be recorded.

☐ **Reference to the Circular**

☐ SEBI – Circulars No. – CIR/DNPD/6/2011 dated January 01, 2011
   Circulars No. – CIR/DNPD/01/2011 dated July 05, 2011

☐ NSE – Circular No. - NSE/INVG/2011/596 dated February 17, 2011
   Circular No. - NSE/INVG/2011/18484 dated July 29, 2011
   Circular No. - NSE /INVG/2011/870 dated August 26, 2011.