

## Policy for modification of Client Code of Non- Institutional Trades

### Objective:

The main objective of the policy is to deal with modification of client code after the execution of trade and to create an awareness amongst the relevant staff such as dealers, Branch In charge and Sub-brokers.

### Background:

SEBI vide its circular no. CIR/DNPD/6/2011 dated July 5, 2011 and National Stock Exchange vide circular nos. NSE/INVG/2011/18281 dated July 5, 2011, NSE/INVG/2011/18484 dated July 29, 2011 and NSE/INVG/2011/18716 dated August 26, 2011 directed that modifications of client codes of non-institutional trades are done only to rectify a genuine error in entry of client code at the time of placing /modifying the related order.

### Policy:

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 however the below mentioned client code modifications are considered Genuine Errors as per the circulars issued by the SEBI / Exchanges :

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

Provided there is no consistent pattern in the above mentioned modifications.

### Modification in client codes:

- 1) Any trade shifted (institutional or non institutional) to the Error Account are subsequently liquidated/closed out in the market and not shifted to some other client code. New order would be punched in original code.

  
Director/Aut. Signatory

- 2) Client code modification issues should be reported to the Compliance Officer /Concerned Operations In-Charge at Head Office for approval and it should be approved only after verifying the Sebi /Exchange directives issued from time to time.
- 3) The Compliance Officer / Concerned Operations in charge should review every day the Error Account file send by the Exchange.
- 4) A separate register to be maintained for this purpose where the details are recorded.
- 5) An error account with the name "ERROR" is opened and UCC uploaded for the same to the Stock Exchange. UCC for Error account is **TSL1**.
- 6) The modification of client code is to be done only in exceptional cases and not in routine case.
- 7) The access / rights of client code modification is given only to such officers as are approved by Head of operations and Compliance department and any deviations are to be escalated to concerned directors /partners/ Sole Proprietor.
- 8) Concerned person authorized for verification should check that Client code/name and modified client code/name are similar to each other or the code change is on account of Family Code (spouse, dependent parents, dependent children and HUF).
- 9) Department head/ compliance officer are advised to analyze the mistake for genuineness of code modification, verify for patterns which indicates the intention to adversely impact one investor over other by transferring profits/ losses to/from specific codes.

**Reporting Process:**

Department Head/ Compliance officer are advice to update the modified cases report to the Board / Management on the implementation of the said policy periodically.

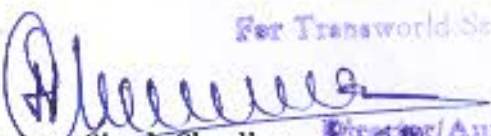
**Approval Authority:**

This policy is approved by the Board of directors.

**Review Policy:**

This policy may be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change the policy due to business needs.

For Transworld Securities Ltd

  
Harjeet Singh Chadha *Director/Auth. Signatory.*  
Whole Time Director

