

C. R. KOTHARI & SONS STOCK BROKING PRIVATE LIMITED
CIN: U67120UP2004PTC038336

Policy on Client Code Modification
(version 2015-16)

Background:

C. R. Kothari & Sons Stock Broking Private Limited (CRK), a Trading Member of National Stock Exchange of India Limited, As the requirement of Exchange & SEBI, Company has designed a "Policy on Client Code Modification" for extending trading facility to its clients in the respective segment of Exchange.

Objective & Scope of the Policy:

To frame the guidelines for modification to client codes post trade execution and reporting of such Client Code Modifications. This policy covers all the Client Code Modifications carried out/to be carried out in any of the client accounts controlled by Mumbai Office, subject to the guidelines issued by the SEBI/Stock Exchanges from time to time, in any segment of any exchange for which is a member broker.

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

"Error Trades":

"Error Trades" 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, genuineness or error if the pre-condition of error modification:

In case of NSE: i. 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.

ii. Modification within relatives ('Relative' for this purpose would mean "Relative" as defined under the Companies Act, 1956).

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General Conditions:

- (i) The facility for Client Code Modification can be used only in case of Error Trade.
- (ii) The Client Code Modification shall be carried out only on the designated system and /or as per the process as may be prescribed by SEBI/Stock Exchange and this policy.
- (iii) The client code modification shall be carried out after due approval from compliance/senior management i.e. the modification needs to be done by Risk Team only after due approval by Compliance Officer.

Place for Client Code Modification:

All the Error Trades executed on NSE of their Capital Market, Future and Options and Derivatives Segments Client Code Modification shall applicable subject to compliance of this policy, be carried at the corporate office.

Surveillance:

A record for trade change will be maintained with Compliance to keep a track of frequent code change by Dealer & Trader.

Penalty:

The penalty or fine, if any, levied on "CRK" for any wrong trade occurred due to any miscommunication from the client/authorized representative of the client shall be borne by the client.