

SANKALP SHARE BROKERS PVT. LTD.

Detailed policy for client code modification process (including details of personnel authorized to make the modifications, checks in place to ensure that there is no misuse of the facility and escalation of analysis done of client code modifications).

In view of the SEBI circular no CIR/DNPD/6/2011 dated July 5, 2011 the company was skeptical of the process of code modification as to whether traders were not indulging in malpractices that had the effect of manipulating the capital market, Moreover SEBI and NSE/BSE/MCX-SX will impose a penalty on trading members for modifying client codes for non-institutional trades. In view of the above company decided to formulate a policy for client code Modification which is as below:

Policy on Client Code Modifications:

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 analysed and genuineness is to be established and also it's impact on the clients should be studied before the modification.
3. Normally as a principle, other than for punching errors, no modification to the client codes be allowed.
4. 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.
5. 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.
6. 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'.
7. Such Punching errors/Typing errors are to be rectified on the Exchange platform as per the SEBI/Exchange rules & regulations and should be transferred to the correct client code. The errors which are not assignable to any client should be transferred to "ERROR" code, which is accountable in the books of Member's own account.
8. A register is to be maintained for recording all the code modifications with details like error code, correct code, scrip name quantity, client name, the name of the dealer who punched the code, the explanation of the dealer/Branch Manager, the 'analysis /study' of the Authorised Manager and his approval/disapproval for modification.
9. Finally the decision of the authorized Manager should be ratified later by the Director.
10. The policy should be reviewed and necessary changes to be made by the Directors at least once every financial year.