

MFSL POLICY OF CLIENT CODE MODIFICATION

1. Objective

To frame the guidelines for modification to client codes post trade execution and reporting of such Client Code Modifications.

2. 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.

3. Scope of the Policy:

This policy covers all the Client Code Modifications carried out / to be carried out in any of the client accounts, subject to the guidelines issued by the SEBI / Stock Exchanges from time to time, in any segment of any exchange for which MFSL is a member broker.

4. “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: **(NOTE: no consistent pattern in such modifications):**

- i. client code/name and modified client code/name are similar to each other but such modifications are not repetitive.
- ii. Family Code (spouse, dependent parents, dependent children and HUF)

5. 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.

6. Procedure for Client Code Modification:

The issue shall be reported to the Compliance officer/ Company Secretary /Director and only with his/her approval, the modification shall be carried after being satisfied that it is genuine, the same is required to be done to protect the interests of the client.

Trades transferred to ‘Error Accounts’ are reviewed/monitored properly to check the genuineness and to prevent the use of client code modification facility for purposes other than correcting mistakes arising out of client code order entry

This policy would be modified time to time as per circulars of SEBI/Exchanges.

Training program shall be conducted to all the Dealers and they shall be explained how code modifications can be misused and what steps shall be taken to avoid the same. It shall be explained that code modifications shall not be encouraged to the clients except for cases like ‘punching errors’/‘typing errors’.

7. Penalty

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