

## **Globe Capital Market Limited**

### **Error code change Policy**

#### **Policy regarding Modification of Client Codes of Non-institutional Trades**

This policy has been formulated in compliance to SEBI Circular No. CIR/DNPD/6/2011 dated July 05, 2011 and NSE Circular Ref No. NSE/INVG/2011/670 dated August 26, 2011

With reference to SEBI Circular No. CIR/DNPD/6/2011 dated July 05, 2011 it was intimated that the Stock Exchanges may allow trading members modifications of client codes of non-institutional trades only to rectify a genuine error in entry of client code at the time of placing / modifying the related order.

It was also stated that the Stock Exchanges shall levy a penalty from trading members and credit the same to its Investor Protection Fund . It was further stated that The Stock Exchange shall conduct a special inspection of the trading member to ascertain whether the modifications of client codes are being carried on as per the strict objective criteria set by the Stock Exchange and take appropriate disciplinary action, if any deficiency is observed.

Further vide NSE Circular Ref No. NSE/INVG/2011/670 dated August 26, 2011 it was intimated by the Exchange that the trading members should have a well documented error policy to handle client code modifications.

Accordingly any of the following instances have been defined by the company **ONLY** under which the client code modification takes place and trades are transferred in Error Account.

- 1) Client code modification is allowed only in genuine cases such as Error due to communication and/or punching or typing error. For example- Punching error of code where the original client code/name and the modified client code/name are similar to each other. Other instances can be punching error due to similar sounding names/alphabets/change of digits etc.
- 2) Only Modification within relatives is permitted ('Relative' for this purpose would mean "Relative" as defined under the Companies Act, 1956).
- 3) Trades shifted in the error account are subsequently liquidated/closed out in the market and not shifted to some other client code.
- 4) An error account with the name "ERROR" was opened and UCC was uploaded for the same.

- We do not make any code changes in the back office without following the approved procedure by the Exchange for code changes.
- The code changes are made only for the correcting the mistakes by technical operator if it is learned well within time limit permitted by the Exchange.
- Rigorous training imparted to each and every technical operator and if he/she
- We keep record of code changes and mistakes made by repetitive terminal operator to ensure such mistakes are minimized.
- Code changes module is not used any purpose other than this.
- We disclose the client codes which are classified as 'Error Accounts' to the Exchange at the time of UCC upload
- We periodically review the trades flowing to the 'Error Account'.

The policy has been duly approved by the management of the Company.