



# Prarup Shares & Stock Brokers Pvt. Ltd.

Share & Stock Brokers • Member : Bombay Stock Exchange Ltd.

CIN NO: U67120MH1997PTC110642

## POLICY FOR CLIENT CODE MODIFICATION

(Applicable for all exchange/segment)

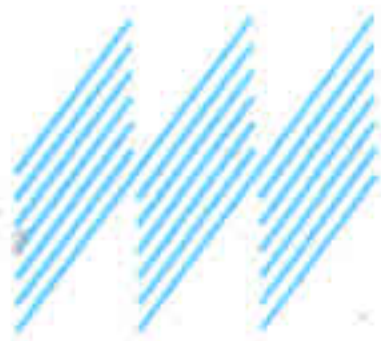
### Online Modification:

- Genuine punching errors in client codes while placing orders shall be allowed to be modified.
- Client code modification facilities shall be disabled from all the dealer terminals.
- Client code modification shall be carried out only from the admin terminals located at H.O. surveillance desk by Mrs. Viketa D Domadia in BSE Cash Segment.
- While carrying out code modification, genuineness of the punching errors shall be verified against corroborative circumstantial evidences like similarities of codes, trades in immediately preceding codes, square off trades without holdings or position or any such other evidences shall have to be taken into account.
- Complete records of daily online trade modifications shall be maintained in soft form.

### Off Line back office modification:

- Genuine punching errors in client code, if detected after the end of post-closing session may be allowed to be modified subject to the verification of genuineness as narrated above.
- For Cash segment any such errors would be rectified after verifying genuineness
- Any such back office client code modification shall be carried out by Mrs. Rasika R Panvelkar who is in charge of back office processing
- A record containing required details shall be maintained for all such modifications





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## Trade Error Policy – Part of RMS Policy

### ➤ Intimation at the end of Dealer as per Error Trade Policy:

The dealer has to intimate such errors immediately to the Manager as per the format given below:

Date	Client Code	Exchange BSE/NSE	Scrip	Qty.	Price	Buy/Sell	Total Value	Order No.	Trade No.	Reason	Dealer's Name
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### ➤ Risk involved due to human intervention:

1. There is a possibility of loss due to error trade since the price at which the wrong trade is squared off could be different from the earlier price.
2. Whatever the loss or profit will be booked in profit & loss account, with approval of the Manager

### ➤ Measures suggested to prevent/mitigate risk:

1. Order to be accepted by the dealers only.

### ➤ Action by Back Office:

Back office to maintain a detailed record of Error deal as per Annexure I. The operations team to ensure that ledger of error account is reconciled on daily basis and open positions if any are reported to Manager on daily basis

#### **1. Sell order placed instead of buy / Buy order placed instead of Sell**

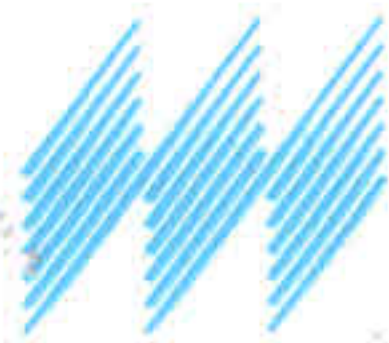
### ➤ Corrective Action at Dealer's End:

1. Wrong Trade to be squared-off immediately and intimation to be given to the client in this regard.
2. Depend on what time the dealer has realized the mistake. If it is during trading hours then it can be squared off immediately and profit or loss if any to be booked to respective dealing error account through JV on approval.
3. **A. In case of Sell Order placed instead of Buy:** - If it is realized after trading hours then trade will go into auction and hence would not require to be squared off on the next trading date. The profit/ loss on account of auction to be transferred to error account through JV on approval.

#### **B. In case of Buy Order placed instead of Sell: -**

If it is realized after trading hours then intimation to be sent immediately as per the Error note given below before 9.30 a.m. on next day. Any requests received later will not be entertained. The same has to be sold immediately. Due to any reason it is not squared off then to square off before T + 3 day. The difference amount should be booked into profit and loss account on approval.





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If close out is received from the exchange instead of delivery then the amount should be booked into profit & loss account on approval.

## 2. Wrong Scrip Code punched i.e. wrong shares bought or sold:

### ➤ Corrective Action at Dealer's End:

The wrong trade to be squared-off as soon as possible and intimation to be given to the client in this regard.

Depend on what time the dealer has realized the mistake. If it is during trading hours then it can be squared off immediately and profit or loss if any to be booked to respective dealing error account through JV on approval.

## 3. Error in punching the quantity of securities

### ➤ Corrective Action at Dealer's End:

Sold Excess quantity than specified by Client:

1. Intimation to be given to client about the error.
2. In case client disagree and if it is known before trading hours.

The Excess quantity specified by client, needs to be squared off immediately irrespective of price change

There is a possibility of loss in such cases since the price at which the wrong trade is squared off could be different from the earlier price.

Whatever the loss or profit will be booked in profit & loss account through JV on approval.

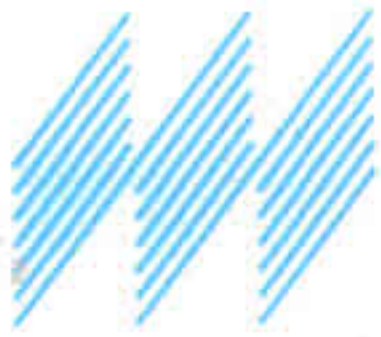
3. If the error is realized after trading hours:

- i) If it is realized after trading hours then intimation to be sent immediately as per the Error note given below before 9.30 a.m. on next day. Any requests received later will not be entertained. The same has to be sold immediately. Due to any reason it is not squared off then to square off before T + 3 day
- ii) If close out is received from the exchange instead of delivery then the amount should be booked into profit & loss account on approval.

### **Bought Excess Quantity than specified by client:**

1. Intimation to be given to client about the error on recorded lines.
2. In case client disagree and if it is known before trading hours.
  - a. The Excess quantity than specified by client, needs to be squared off immediately irrespective of price change
  - b. There is a possibility of loss in such cases since the price at which the wrong trade is squared off could be different from the earlier price.
  - c. Whatever the loss or profit will be booked in profit & loss account through j.v. on approval.





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Order entered at a price different from that specified by the client

➤ Corrective Action at Dealer's End:

If the trade is executed then the dealer should intimate the client immediately. In case if the client disagrees, the wrong trade to be squared-off immediately and profit or loss if any to be booked to respective dealing error account through JV on approval.

Reports

➤ Reports maintenance:

Back office to maintain the following reports:

(1) Register of error trades, dealer wise weekly to be place before Business Heads & MD

(2) Statement of dealers exceeding the limits of occurrence of error trades

For Prarup Shares & Stock Brokers Pvt. Ltd

Per Prarup Shares & Stock Brokers Pvt. Ltd.

  
Director

Mr. Mahendra A Shah

