



Tipsons Stock Brokers Pvt. Ltd.

Error Policy for Client Code Modification

Dealing Errors Policy

1. Purpose The purpose of this policy is to establish guidelines and procedures for handling dealing errors made by both the dealers and clients of the company. It aims to ensure compliance with regulatory requirements and minimize the impact of such errors on clients and the company.

2. Types of Errors Dealing errors can occur due to various reasons. The following are examples of dealing errors categorized by the responsible party:

Dealer's Errors

- Entering the wrong client code while placing an order.
- Selecting the wrong scrip while placing an order.
- Placing the order for the wrong quantity.
- Placing a buy order instead of a sale order, and vice versa.

Client's Errors

- Mentioning the wrong code while instructing the dealer.
- Mentioning the wrong scrip while instructing the dealer.
- Mentioning the wrong quantity while instructing the dealer.
- Requesting the dealer to place a buy order instead of a sale order, and vice versa.

3. Regulatory Requirements The company acknowledges the seriousness of dealing errors as recognized by regulatory authorities. The following circulars issued by SEBI (Securities and Exchange Board of India) and Exchanges provide guidance for dealing with such errors:

a) NSE/INVG/2011/18484 dated July 29, 2011 b) BSE/20110729-24 dated Friday, July 29, 2011 c) SEBI/CIR/DNPD/01/2011 Dated January 03, 2011 d) SEBI/CIR/DNPD/6/2011 Dated July 05, 2011 e) NSE/INVG/2011/17029 Dated February 17, 2011 f) NSE/INVG/2011/18716 Dated August 26, 2011 g) NSCCL/SEC/2004/0464 Dated May 31, 2004

As per these circulars, the company is required to transfer trades resulting from dealing errors to a specifically designated code, known as the Error Account.

4. Procedure for Dealing Errors

4.1. BSE Cash Segment

1. Dealers must strictly modify client codes of non-institutional trades only to rectify genuine errors in the entry of client codes during the placement or modification of related orders.
2. The company is allowed to change client codes of non-institutional clients for the following objective criteria:
 - Punching error/typing error of client codes.
 - Trade entered for the wrong client due to a communication error.
 - Modification within relatives (as defined under the Companies Act, 1956).
 - Institutional trades modified to broker error account.
3. The company is required to inform the Exchange (through BEFS) on a daily basis, by the end of the day, regarding the reasons for modifying client codes of non-institutional trades based on the objective criteria mentioned above. The necessary data must be submitted to the Exchange in the specified format.

4.2. NSE Individual Clients

1. Trading members must enter the client code at the time of order entry in the NEAT system. Modifications to client codes can be made at the order level (not at the trade level) on the trade date, during market hours, and post-market hours up to 4:15 p.m. Proprietary trades cannot be modified to client trades and vice versa.
2. Modifications of client codes at the order level require changes to all trades associated with that order. Client code modifications can be done through the NSCCL Clearing Management System (NCMS) by uploading a client code modification file or through the NCMS screen itself. The prescribed format and procedures specified by the Exchange must be followed.

4.3. Institutional Clients

1. Members are required to enter a custodial participant code (CP code) at the time of order entry in the NEAT system. Modifications to the CP code can be made at the order level during market hours and post-market hours up to 4:15 p.m. Changes can be made through the NSCCL Clearing Management System (NCMS) by uploading a CP code modification file or through the NCMS screen itself. The prescribed format and procedures specified by the Exchange must be followed.

5. Shifting to Error Account Shifting any trade (institutional or non-institutional) to the error account of the broker will not be considered as a modification of client code, as long as the positions arising from trades in the error account are subsequently liquidated/closed out in the market and not shifted to another client code.

6. Compliance and Monitoring

- Dealers are required to take adequate precautions while placing orders and minimize errors.
- Management will monitor client code changes regularly and review the reasons provided by dealers. Changes to the error account must have sufficient justification approved by management.
- All staff members are expected to comply with this policy and ensure its proper implementation.

7. Policy Review This policy will be reviewed annually or as deemed necessary by management. Any changes or updates to regulatory requirements will be incorporated into the policy promptly.