

## ONLINE CLIENT CODE MODIFICATION POLICY

As per the SEBI Circular CIR/DNPD/01/2011 dated January 03, 2011 and in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956, all SEBI registered intermediaries are required to have proper internal control to protect the interests of investors in securities and to promote the development of, and to regulate the securities market. In view of the same, HPMG Shares & Securities Pvt. Ltd. implements the following process for online 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/authorised person.
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. 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.

8. Finally, the decision of the authorised Manager should be ratified later by the Director.

9. Modification of client code are to be done as per the rule and regulation of exchange and as per the Circular issued by exchange.

10. Also, management will monitor on daily basis the reasons for client code modification and will ensure that there will not be any manipulation going on regards to change of client code.

The risk management department in consultation with the Senior Management of HPMG Shares & Securities Pvt. Ltd. would follow this policy statement.

For **HPMG Shares & Securities Pvt. Ltd.**

**DIRECTOR.**