

# VSE STOCK SERVICES LTD.

Wholly Owned Subsidiary of Vadodara Stock Exchange Limited



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## VSE Stock Services Limited

### Client Code Modification Policy

Approved by the Board at its Meeting held on 03<sup>rd</sup> January, 2012 ( Originally held on 27<sup>th</sup> December, 2011)

**Preamble:**

As a matter of principle, the Company currently doesn't allow client code modification of executed trades in order to maintain an orderly trade data. For that the Company shall form a policy against the Client Code Modification.

This policy is based on the SEBI circular no. CIR/DNPD/6/2011 dated July 5, 2011. Consequently, Bombay Stock Exchange Limited vide its notice no. 20110729-24 dated 29th July, 2011 has prescribed the objective criteria in entry of client codes for identifying genuine errors for client code modification of non institutional trades as follows:

1. Punching error / typing error of client codes
2. Trade entered for wrong client due to communication error
3. Modification within family members

**Company Policy against Client Code Modification:**

There is possibility of a trade being executed erroneously under wrong UCC due to genuine punching mistake by the terminal user. For this reason, the Company is adopting a policy for client code modification/error account trade as follows:

- a) Client code modification requests will be strictly accepted only to rectify genuine error in entry of client code at the time of placing/modifying the related order; consequently dealers are expected to take utmost care/precaution while execution of client trades.



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- b) The Company shall have the absolute discretion to accept, refuse or partially accept the client code Modification requests based on Risk Perception and other factors considered relevant by the company; the company and / or any of its directors, employees will not be held responsible for Damages/losses due to such refusal or due to delay caused by such review.
- c) The Sub-Brokers shall inform the Company about client code modifications done if any, along with reason on the same day before 5.00 p.m. as per Format prescribed to the Surveillance Department. (Annexure I)
- d) On the basis of reporting, the Company shall inform to BSE on the same day about the changes or as may be directed by BSE.
- e) Non reporting of modification done if any, within time prescribed will be considered as non genuine modification and consequently, penalty if any imposed by BSE will be recovered from respective sub broker.
- f) As per SEBI circular dated July 5, 2011 on client code modifications, penalty will be levied on all client code modifications w.e.f. August 1, 2011 (including genuine errors).
- g) The company shall conduct a special inspection of the concerned Sub-Broker, if modification exceeds 1% of the value of trades executed during a month and take appropriate disciplinary action, if any deficiency is observed.

This policy can be altered/modified by the Board of Directors of the Company as per direction of SEBI,NSE,BSE or any other authority.

*Cor*  
*3/22/2011*





[Annexure I]

**Reporting on Client Code Modification  
(on letter Head)**

To,  
VSE Stock Services Ltd.

Dear Sir,

We undersigned hereby provide the details of client code modification done on ----- (date) as follows:

Reason for modification:

1. Punching error / typing error of client codes
2. Trade entered for wrong client due to communication error
3. Modification within family members

Other detail:

Sr. No.	Reason no.	Old client (code)	New client (code)	Scrip code	Buy/Sell	Quantity	Rate

(Signature)

(Name of Sub Broker)

(code)

