

POLICY ON TRADE MODIFICATION

To error is human, but to take precaution is wise. The policy laid down by Churiwala Securities Pvt. Ltd (CSPL) regarding trade modification is as follows:

Errors by Clients:

- 1) The client gives the wrong family code.

Rectification of errors that have occurred due to error by client:

As specified above where it is clearly established that the error was due to wrong instructions by the client, the trades may be modified as follows:

- a) Inform the client about the penalties liable in case of trade modification. This will apply if client code is changed.
- b) Square up the trade in the wrong code/wrong scrip and redo the same in the correct code. The impact of rate difference, STT and brokerage would be borne by the client. Minimum brokerage will be charged on modified trades.

Errors by CSPL:

- 1) Punching error in code such as 7754 instead of 7745 or 4610 instead of 4611.
- 2) Error due to miscommunication between client and dealer such as :
 - a) Client wishes to sell shares but inadvertently shares are bought or vice versa and the same is known during trading hours itself.
 - b) Trade is done in wrong scrip e.g.: HDFC Bank instead of HDFC
 - c) Wrong quantity of shares for purchase/sale e.g. 500 instead of 50

Rectification of errors that have occurred due to CSPL:

- 1) **In case of point No 1 above if it is a low value transaction the trade may be modified directly before the end of post closing by changing the code. Outside, BOLT's have no access to trade modification. In case of error the dealer will call HO for opening up of the BOLT to rectify the trade.** In case of high value transaction, trade modification will be done through Error A/c. Error on the sale side will have to be compulsorily squared up on the same day to avoid further losses due to Auction difference and Auction commission. Error on the purchase side preferably to be squared up on the same day. Delivery maybe taken in Error A/c only with prior approval of Alok Churiwala or Pooja Churiwala
- 2) **Continuous checking of trades executed during the day by dealers. This is will help to find out errors as in 2 a), b) and c).**
In the case of 2 a) and b), the wrong trade will be squared up in Error A/c and the correct trade redone in the client's code.
In the case of 2 c) the excess shares will be sold/purchased in Error a/c
- 3) At any given point of time two staff members are responsible for reporting to the Exchange thru BEFS.

Methods to avoid trade modification:

- 1) Dealers have been advised not to be in a hurry and recheck codes with the client.
- 2) Double check in Back office master and verify code before doing trade.
- 3) Update client codes in Bolt for regular clients
- 4) Recheck ISIN no for Scrip not regularly traded.

No trade modification will be done in the back office.

Unusual circumstances:

- 1) The error is not noticed even during post closing. The client points out that confirmation was given at time of execution, but no email / contract has been received and the another client point out that a particular trade is not his and wants the same removed from his contract.
- 2) Such trade maybe modified in the back office with proper authorization of Mrs. Pooja A. Churiwala or Mr. Alok Churiwala and a letter or remark on original contract by the client who wishes his contract to be corrected.
- 3) Original contract to be voided and kept with us.