

Client Code Modification (CCM) Policy

1. Objective

The objective of this Client Code Modification (CCM) Policy is to define the conditions and procedure under which modification to client codes is allowed after order execution. This policy ensures such changes are made only in genuine cases, in full compliance with SEBI and Exchange norms, and to prevent misuse of post-trade modifications.

2. Regulatory Framework

This policy is framed with reference to the following:

- SEBI Circular CIR/DNPD/6/2011 dated July 5, 2011
- SEBI Circular CIR/MRD/DP/18/2015 dated December 9, 2015
- NSE Circular NSE/INSP/27339 dated January 5, 2015
- BSE/MCX Exchange circulars on post-trade modifications

3. Definition

Client Code Modification (CCM) refers to the correction of a client code after the execution of a trade, typically due to an error in punching or uploading the order.

4. Permissible Scenarios for CCM

Client code changes are permitted only under genuine error cases as below:

- **Punching Error:** Order placed in the wrong client code within the same family account (same PAN/related entity).
- **Shift to Correct Account:** Same authorized person/dealer handling multiple accounts and entered wrong code inadvertently.
- **Dealer Errors:** Manual entry error due to high volumes or similar client codes.

Note: Modifications between unrelated client accounts are strictly prohibited.

5. Categories of Modifications

SEBI has permitted client code modifications only in the following categories:

Category Description

- | | |
|----------|--|
| A | Between family accounts (same PAN) |
| B | Error due to multiple accounts under one dealer (related clients only) |
| C | Institutional code correction within institution |

Yashwi Securities allows only **Category A** and **B** CCMs. Institutional (C) not applicable.

6. Approval & Documentation Process

- **Step 1:** Error reported by dealer/sub-broker within **15 minutes** of trade execution.
- **Step 2:** Written application from dealer/sub-broker citing reason, along with:
 - Trade details (order ID, time, script, qty, value)
 - Correct and incorrect client codes
 - PAN cards of both accounts (if family)
- **Step 3:** RMS/Compliance Officer to verify and approve/reject.
- **Step 4:** Log maintained with audit trail and supporting documents.
- **Step 5:** Modification reported to Exchange via UCC file before cutoff (usually **5:15 PM for Equity** and **15 mins before post-close session for MCX**).

7. Monitoring & Limits

- Daily reports reviewed by compliance.
- Modification ratio must not exceed **1% of total orders**.
- Repeat instances by the same dealer/client are escalated.
- Internal disciplinary action in case of negligence or misuse.

8. Exchange Penalties

Penalties levied by exchanges for client code modifications (usually ₹5,000 per instance or more) will be **passed on to the dealer/sub-broker/client** responsible for the error.

9. Reporting & Audit

- All CCMs are reported to exchanges daily.
- Audit trail maintained for inspection by SEBI or exchange officials.
- Included in internal/external audit scope.

10. Disclaimer

This policy may be amended without prior notice to comply with changes in SEBI/Exchange regulations. Clients and sub-brokers are expected to ensure order entry discipline and accuracy at all times.