Client Code Modification Policy

The 'Client Code Modification Policy (also referred to as the Error Policy)' is defined in terms of circulars issued by SEBI and the exchanges regarding modification of client codes of non-institutional trades while transacting through Indiabulls Securities Limited (formerly Dhani Stocks Limited) (ISL).

Genuine Modifications

Following instances of client code modifications would be considered as genuine modifications, provided there is no consistent pattern in such modifications:

i. Error due to communication and/or punching or typing such that the original client code/name and modified client code/name are similar to each other but such modifications are not repetitive.
ii. Where original client code/name and modified client code/name belong to a family. (Family for this purpose means spouse, dependent parents, dependent children and member of HUF)

Note: Shifting of trades (institutional or non-institutional) to the error account of ISL shall not be treated as modification of client code provided positions arising out of trades in error account are subsequently liquidated / closed out in the market & not shifted to some other client code.

Error Account

i. A separate error account (Client Code – ERROR) is earmarked to shift the trades from any institutional or non-institutional account.
ii. The Error Account will be in the name of 'Dhani Stocks Limited' as 'PRO/OWN' with the PAN details of ISL.
iii. The error trade will not be allowed to be modified post T+0 day.
iv. No trades are permitted to transfer from the error account to any other client account.
v. Post transfer, the trades in the error account will be either liquidated or closed out in the market.

Levy of Penalty

i. Genuine trade modifications are not exempted from the exchange penalty.
ii. Only trades modified from the institutional or non-institutional client code to 'Error Account' are exempted from the exchange penalty.
iii. The penalty levied by the exchange would not be deducted from the client.
iv. The profit resulting out of liquidation or close out will be retained in the 'Error Account'. The profit may be shared with the client based on the directions given by the investor grievance cell of the exchange based on the client's plea.
v. The loss resulting out of liquidation or close out will be borne by the ISL.

Personnel authorized to make the modifications

Every code modification request has to be authorized by the RMS Head. RMS Head post his assessment about the genuineness of the error, approve or reject the code modification request.

Reporting of client code modification

Every code modification needs to be reported to exchange or changed on the exchange provided platform (as defined in the guidelines of the respective exchange).