CLIENT CODE MODIFICATION AND ERROR ACCOUNT POLICY

(Applicable to all segments of NSE and BSE)

Document Control

Policy Name	Client Code Modification and Error Account Policy
Version	2.0
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Approved By	Board of Directors, Pawan Parmeshwar Capital Pvt Ltd
Owner	Compliance Officer / Principal Officer
Review Frequency	Annual or upon material regulatory change

1. Preamble and Objective

Pawan Parmeshwar Capital Pvt Ltd (hereinafter referred to as "the Company" or "the Trading Member") is a Trading Member of the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company exclusively services Institutional clients and does not deal with retail (non-institutional) clients. Notwithstanding this, the Company is required to maintain a written Client Code Modification and Error Account Policy in line with SEBI and Exchange directives applicable to all Trading Members.

The objective of this Policy is to:

- Lay down the principles, procedures, controls and reporting standards governing modification of client codes after trade execution;
- Define what constitutes a genuine error and the limited circumstances in which client code modifications are permitted;
- Establish the framework for maintaining and operating the designated Error Account;
- Specify roles, responsibilities, escalation and review mechanisms; and
- Ensure full compliance with applicable SEBI and Exchange circulars.

The facility of client code modification is to be used strictly as an exception and not as a routine practice.

2. Scope and Applicability

This Policy applies to:

- All segments of NSE and BSE in which the Company is a Trading Member, including Capital Market and Equity Derivatives;
- All trades executed by the Company on behalf of its institutional clients, including trades settled through the Delivery-versus-Payment (DVP) mechanism via Custodians;
- All employees, dealers, authorised persons, the Compliance Officer, the Principal Officer and the Board of Directors of the Company.

3. Regulatory References

This Policy has been framed in accordance with the following circulars and any subsequent amendments thereto. Trading Members are required to comply with the consolidated provisions, and where any subsequent circular modifies the position, the latest circular shall prevail.

3.1 SEBI Circulars

- SEBI Master Circular for Stock Exchanges and Clearing Corporations No. SEBI/HO/MRD-PoD2/CIR/P/2024/00181 dated December 30, 2024 (consolidating provisions up to October 31, 2024) — refer Chapter 1, Para 14.3 on Client Code Modification.
- SEBI Circular No. CIR/DNPD/6/2011 dated July 5, 2011 — Modification of Client Codes of Non-Institutional Trades Executed on Stock Exchanges (All Segments).
- SEBI Circular No. CIR/DNPD/01/2011 dated January 3, 2011.

3.2 NSE Circulars

- NSE Circular No. NSE/INVG/56395 (Ref. No. 97/2023) dated April 17, 2023 — Modification of Client Codes (All Segments) – Update (effective June 1, 2023).
- NSE Circular No. NSE/INVG/2011/18484 dated July 29, 2011.
- NSE Circular No. NSE/INVG/2011/18716 dated August 26, 2011.
- NSE/INVG/35398 dated July 19, 2017 and NSE/INVG/41459 dated June 28, 2019 — reasons for client code modification.
- NCL/CMPT/50876 dated January 3, 2022 — OTR allocation for Foreign Portfolio Investors (FPIs).

3.3 BSE Circulars

- BSE Master Circular on Inspection.
- BSE Notice No. 20110826-4 dated August 26, 2011 and Notice No. 20111214-4 dated December 14, 2011 on designated Error Account.

4. Definitions

Client Code Modification: Modification of the client code in a trade record after execution of the trade, carried out through the facility provided by the Stock Exchange.

Institutional Client: A client falling within the institutional category as recognised by the Exchanges, including Foreign Portfolio Investors (FPIs), Mutual Funds (MFs), Banks, Insurance Companies, Domestic Financial Institutions (DFIs), and Pension Funds (including those under PFRDA).

Non-Institutional Client: Any client not classified as an Institutional Client. The Company does not deal with non-institutional clients in the ordinary course of business; references in this Policy to non-institutional trades are retained for completeness and to address exceptional situations.

Error Account: The designated account of the Trading Member to which trades arising out of genuine errors are temporarily transferred, pending square-off in the market.

CP Code: Custodial Participant Code allotted by the Clearing Corporation for clients who clear and settle their trades through a Custodian.

DVP Mechanism: Delivery-versus-Payment settlement mechanism through which institutional trades are settled by Custodians.

Relative: A relative as defined under Section 2(77) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014.

5. General Principles

1. Client code modification is to be used strictly as an exception, only to rectify genuine errors, and not as a routine practice.
1. Proprietary trades shall not be modified to client trades, and client trades shall not be modified to proprietary trades, under any circumstances.
2. Every order entered into the trading system shall carry the correct Unique Client Code (UCC) and, where applicable, the CP Code, at the time of order entry.
3. Modifications must comply with the genuine error criteria laid down by SEBI and the Exchanges and must be supported by appropriate documentation.
4. All modifications shall be reviewed and authorised by the Compliance Officer (or, in his/her absence, the Principal Officer) before submission to the Exchange.

5. Mass or repetitive client code modifications, even where individually below penalty thresholds, will attract internal disciplinary review and Exchange-level disciplinary action.

6. Genuine Errors – Classification

In accordance with Para 14.3.1.2 of Chapter 1 of the SEBI Master Circular dated December 30, 2024 and Para 7.1 of NSE Circular 97/2023, the following shall be classified as genuine errors for the purpose of client code modification of non-institutional trades:

(i) Error due to communication and/or punching or typing such that the original client code/name and the modified client code/name are similar to each other.

(ii) Modification within Relatives, where "Relative" has the meaning assigned under the Companies Act, 2013.

Illustratively, a modification from "FA1234" to "AF1234" or "FA2341" may qualify as a genuine punching error. A modification from "FA1234" to an entirely dissimilar code such as "MN5678" shall not be regarded as a genuine error and shall be treated as an intentional modification, attracting penalty and disciplinary review.

No other ground (including business convenience, client instruction received post-trade, or settlement preferences) shall be treated as a genuine error.

7. Designated Error Account

In accordance with NSE Circular 97/2023 (Para 2) and applicable BSE notices, the Company has established a single designated Error Account with the following standardised nomenclature:

Field	Value
Client Code of Error Account	ERROR (or ERROR%, where % is a number, in case multiple error accounts are subsequently approved by the Board)
Name of Error Account	Pawan Parmeshwar Capital Pvt Ltd – Error Account

The Error Account code(s) shall be disclosed to the Exchanges at the time of UCC upload. Trades transferred to the Error Account shall be subsequently liquidated/closed out in the market, and shall not be shifted to any other client code.

Penalty for non-compliance: In the event the Company fails to maintain a single active designated Error Account in compliance with the prescribed nomenclature, a penalty of Rs. 10,000 per month of violation shall be levied by the Exchange. Continued non-compliance beyond three months may attract disciplinary action by the Exchange.

8. Client Code Modification Framework – Institutional Trades

It is based on Para 4 of NSE Circular 97/2023 read with the SEBI Master Circular dated December 30, 2024.

8.1 Modifications between two Institutional Client Codes

Modification between client codes of two institutional entities is permitted without penalty only if the original and modified codes belong to different schemes/sub-accounts of, or are managed by, the same Institution. For FPIs, the institutional group shall be the group uploaded by the Company through the "FPI Client Mapping – File Upload" facility under Para 16.5 of NSE Clearing Circular NCL/CMPT/50876 dated January 3, 2022.

8.2 Modifications between Unrelated Institutional Client Codes – Prohibited as Routine

Modification between two unrelated institutional client codes is not permitted as a routine matter and shall attract penalty in accordance with Section 12 of this Policy. The Compliance Officer shall reject any such request unless it satisfies a genuine error criterion under Section 6 and is supported by adequate documentary evidence. The Company expressly notes that allowing modification between unrelated institutional clients is a serious regulatory concern and shall not be entertained on grounds of client preference or post-trade allocation.

8.3 DVP-Settled Trades – Reporting Requirement

With respect to institutional trades settled through the DVP mechanism, the Company shall report to the Exchange the name of the entity to whom the trade was settled. The original client code shall be the code in which the trade was executed, and the modified client code shall be the PAN in whose name the trade was settled through the DVP mechanism. Where the modified client code is not of, or managed by, the same institutional group as the original, penalty shall be applicable as per Section 12.

8.4 Allocation by Mutual Funds and FPIs

MFs and FPIs shall, as required under Para 14.2.1 of Chapter 1 of the SEBI Master Circular dated December 30, 2024, enter the Unique Client Code pertaining to the parent MF or parent FPI at the order entry level, and undertake allocation to the individual schemes/sub-accounts in accordance with the procedures specified by the Exchange.

9. CP Code Allocation and Obligation Transfer Request (OTR)

6. At the time of order entry in the trading system, the dealer shall enter the CP Code, which shall be either "INST" or a valid CP Code allotted to the institutional client.

7. On the trade day (T day), CP Code modification at the order level shall be permitted during market hours and post-market hours up to 4:15 p.m. through the ICCL/NSE Clearing Management System (NCMS), provided the Custodian has not already confirmed the trade.
8. The Company shall furnish the break-up of obligations by different institutional clients along with the contract note number by uploading the Obligation Transfer Request (OTR) file in ICCL/NCMS within the cut-off time prescribed by Indian Clearing Corporation/NSE Clearing from time to time. Failure to do so will result in such unallocated obligations being reverted to the Company, with margin and exposure consequences applicable with immediate effect.
9. Where a Custodian rejects an institutional trade, the obligation shall stand assigned back to the Company. The dealer and Compliance Officer shall analyse the reason for rejection and take corrective steps to prevent recurrence.
10. BSE-segment trades shall follow the equivalent procedure prescribed by ICCL through the ICCL Electronic Filing System (IEFS) and any successor system notified by BSE/ICCL.

10. Modification to Error Account – Timelines and Treatment

As per Para 3 of NSE Circular 97/2023 and the BSE Master Circular on Inspection:

11. Shifting of any trade (institutional or non-institutional) to the Error Account shall not be treated as a modification of client code, provided the positions arising out of such trades are subsequently liquidated/closed out in the market and are not shifted to any other client code.
12. The Company shall square off or liquidate trades flowing into the Error Account within three working days (including the day of trade).
13. Where sufficient liquidity is not available in the relevant scrip/contract to liquidate within the three-day timeline, the Compliance Officer shall approach the Exchange within one trading day. The decision of the Exchange on the question of "availability of liquidity" shall be final and binding.
14. In the event a position in the Error Account is not liquidated within the prescribed timeline, the trade value shall be subject to penalty as per the structure in Section 12.
15. Modification from the Error Account to any other client code is prohibited. If such a modification is nevertheless effected, a penalty at the rate of 2% of the traded value shall be levied by the Exchange, in addition to which the Exchange may initiate further disciplinary action.

11. Reasons for Modification – Reporting

As per Para 5 of NSE Circular 97/2023, the Company shall, for every client code modification, record and submit the appropriate reason on the NSE ENIT portal at the path: Compliance ⇒ Client Code Modification ⇒ Client Code Modification Reason. The reasons mapped on the portal are as follows:

Reason Code	Description
0	Modified to Error
1	Error due to communication or punching/typing error such that the original client code/name and the modified client code/name are similar to each other
2	Modification with Relatives (as per Companies Act, 2013)
3	Allocation to related schemes/sub-accounts (same institutional group)

Equivalent reason reporting for BSE-segment modifications shall be made through the BEFS – Client Code Modification module.

12. Penalty Structure

12.1 Modifications involving Non-Institutional Codes

Any client code modification where either the original code or the modified code is of the non-institutional category, and any modification from an institutional code to a non-institutional code, shall attract penalty as per the following structure (NSE Circular 97/2023, Para 1.2):

"a" as a percentage of "b"	Penalty as a percentage of "a"
Less than or equal to 5%	1%
Greater than 5%	2%

Where "a" denotes the value (turnover) of non-institutional trades where client codes have been modified by the Trading Member in a segment during a calendar month, and "b" denotes the value (turnover) of non-institutional trades of the Trading Member in that segment during the calendar month.

12.2 Modifications between Unrelated Institutional Codes

Modifications between two institutional client codes that do not satisfy the same-institution criterion in Section 8.1, including DVP modifications failing the criterion in Section 8.3, shall attract penalty as per the following structure (NSE Circular 97/2023, Para 4.2 and 4.3):

"a" as a percentage of "b"	Penalty as a percentage of "a"
Less than or equal to 5%	1%
Greater than 5%	2%

Where "a" denotes the value (turnover) of institutional trades where client codes (unrelated institutional clients) have been modified during a calendar month, and "b" denotes the value (turnover) of institutional trades of the Trading Member in the segment during that month.

12.3 Penalty for Error Account Non-Liquidation

Where positions in the Error Account are not liquidated within three working days, the penalty structure under Section 12.1 shall apply on the value of such unliquidated trades.

12.4 Penalty for Modification from Error Account to Another Client Code

Any modification from the Error Account to any other client code shall attract a penalty of 2% of the traded value, in addition to disciplinary action as may be initiated by the Exchange.

13. Penalty Waiver Procedure

In accordance with Para 7 of NSE Circular 97/2023, the Company may apply for waiver of penalty in respect of a modification that qualifies as a genuine error under Section 6. The following procedure shall be observed:

16. The application for waiver shall be filed with the Exchange within three calendar months from the date of levy of penalty. Applications filed beyond this period shall not be entertained.
17. The application shall be accompanied by reasons for the modification and all supporting documents, including dealer notes, order logs, recorded telephone conversations and email communications, demonstrating the genuineness of the error.
18. The Compliance Officer shall be responsible for filing, tracking and follow-up of waiver applications and shall maintain a register of waiver requests, status and outcomes.

14. Frequent Client Code Modifications – Disciplinary Action

In addition to the monetary penalties prescribed above, the Exchange may undertake disciplinary action under its Rules, Byelaws and Regulations against Trading Members that undertake frequent client code modifications. As per Para 6.2 of NSE Circular 97/2023, the following modifications shall not be counted while computing the frequency of client code modifications:

- Modifications to the Error Account that are liquidated within three working days; and

- Modifications between two institutional client codes belonging to the same institutional group (as defined in Section 8.1).

The Compliance Officer shall track the trend of modifications on a monthly basis and escalate any unusual pattern (whether by dealer, by client, by scrip, or by segment) to the Board.

15. BSE-Specific Reporting

19. The Company shall download the monthly penalty report for client code modifications in non-institutional trades from the BSE Extranet (file name format "PM[MM][YY].[Clg no.]") from the EQUITY TRANSACTION FOLDER.
20. Reasons for transfer of any trade (institutional or non-institutional) to the Error Account, and all other client code modifications, shall be submitted to BSE through the BEFS – Client Code Modification module within the timelines specified by BSE.
21. Custodial Participant (CP) Code-related operations on BSE-segment trades shall be carried out through the ICCL Electronic Filing System (IEFS), as applicable.

16. Internal Controls

To minimise the incidence of client code modifications and to ensure compliance with this Policy, the Company shall implement the following internal controls:

22. Client code mapping at trading terminals shall be restricted to authorised codes only, to control punching errors.
23. All institutional client onboarding records, UCC details and CP Code mappings shall be reviewed and reconciled periodically by the Compliance Officer.
24. Dealers shall be required to repeat back and reconfirm the client code/name and scrip details to the client or authorised representative before placing an order in the trading system.
25. All client orders shall, to the extent feasible, be received on recorded telephone lines or in writing. Records of order placement (recordings, emails, written instructions) shall be preserved for the period prescribed under the SEBI record-retention requirements applicable to Stock Brokers.
26. Every client code modification request shall be in writing, supported by a duly filled Client Code Modification Request Form, dealer note and supporting communications, and shall be authorised by the Compliance Officer (or in his/her absence, the Principal Officer) before submission to the Exchange.

27. A separate register (physical or electronic) of client code modifications shall be maintained, recording the date of trade, original client code, modified client code, reason code, value, dealer name, approver and Exchange acknowledgement.
28. The list of inactive clients shall be reviewed periodically and marked appropriately in the CTCL surveillance system.
29. Internal controls implemented by the Company shall be subject to review during internal audits and Exchange inspections, and shall be modified from time to time based on inspection findings and regulatory updates.

17. Reporting to Management

30. The Compliance Officer shall review the Error Account file received from the Exchange on every trading day.
31. A summary of client code modifications and Error Account activity shall be placed before the Board of Directors at every Board meeting, or at least once each quarter.
32. Any penalty levied by the Exchange, any waiver application filed, and the status of all such applications, shall be reported to the Board.
33. Any disciplinary communication received from SEBI or the Exchanges in relation to client code modifications shall be reported to the Board at the earliest, and in any event no later than the next Board meeting.

18. Roles and Responsibilities

Role	Responsibilities
Dealer	Accurate order entry, repeat-back confirmation with the client, immediate reporting of any erroneous entry to the Compliance Officer.
Compliance Officer	Verification of genuineness of every modification request, authorisation of modifications, submission of reasons on ENIT/BEFS, filing of waiver applications, monitoring of frequency and trend, day-to-day implementation of this Policy, and reporting to the Board.
Principal Officer	Oversight of the Compliance Officer's functions and authorisation in the absence of the Compliance Officer.
Board of Directors	Approval and periodic review of this Policy, review of quarterly reports, and direction on any disciplinary matters.

Internal Auditor	Independent review of client code modifications, Error Account activity and adherence to this Policy as part of the half-yearly Internal Audit prescribed by SEBI for Stock Brokers.

19. Policy Review and Amendments

34. This Policy shall be reviewed at least once every financial year by the Compliance Officer and placed before the Board for re-approval.
35. The Policy shall be reviewed earlier upon any material change in applicable SEBI or Exchange circulars, or upon any inspection finding requiring a change.
36. Any amendment to this Policy shall be effective only upon approval by the Board of Directors.

20. Effective Date

This Policy shall come into effect from the date of its approval by the Board of Directors and shall supersede all earlier policies of the Company on the subject.

Annexure A — Quick Reference: Categories of Modification

Nature of Modification	Permitted?	Penalty?
Between two institutional codes — same institution / group (incl. FPIs in same FPI Mapping Group, schemes of same MF)	Yes	No
Between two institutional codes — unrelated institutions	Only on genuine error	Yes (Sec. 12.2)
Institutional to Non-Institutional or vice versa	Only on genuine error	Yes (Sec. 12.1)
Trade shifted to Error Account and liquidated within 3 working days	Yes	No
Trade in Error Account NOT liquidated within 3 working days	—	Yes (Sec. 12.3)
Modification from Error Account to another client code	Prohibited	2% of value + DA
Proprietary trade modified to client trade or vice versa	Prohibited	Disciplinary action

Annexure B

Board Approval

This Client Code Modification and Error Account Policy (Version 2.0) has been reviewed and approved by the Board of Directors of Pawan Parmeshwar Capital Pvt Ltd at its meeting held on 20th Oct 2025.

For PAWAN PARMESHWAR CAPITAL PVT. LTD.
P K Choudhary
Director / Authorised Signatory

PAWAN PARMESHWAR CAPITAL PVT. LTD.
MUMBAI

Director / Authorised Signatory

Name: Pawankumar Choudhary

Designation: Director

Date: 20th Oct 2025

Place: Mumbai