Pace Stock Broking Services Private Limited

ERROR POLICY

In pursuance of SEBI Circular No. CIR/DNPD/6/2011 dated July 5, 2011 and NSE Circular No. NSE/INVG/2011/18484 dated July 29, 2011 the following policy is formulated:

1. Pace Stock Broking Services Private Limited believes in transparency and fairness in trades. Emphasis will be laid on procedures to minimize errors. Modification in client code in rectification of errors is permitted on satisfaction of genuine and unavoidable errors of communication or operation.

2. The Company has adopted and promotes the use of CTCL platform to clients which has built-in measures to stop errors. Even in respect of BOLT and NEAT, all authorization for code modification is only through a Corporate ID in the Head Office supervised by a senior person.

3. The satisfaction as to the occurrence of a genuine error is a must for assessing any code modification request. In general, an error may be either by the user in mis-hearing the client, mis-identifying the client or mis-punching the client code; or by a client in mis-communicating or vaguely communicating his instructions.

4. The error may come to the notice of the dealer through periodical verification of the file generated during the trades; or from his own intuition or experience as to mis-pressing or wrong pressing of computer key(s); or during confirmation of trades with clients; or through client's intimation.

5. SEBI and Exchange regulations/circulars applicable from time to time will be the minimum criteria to decide whether there is a genuine error.

6. All requests for client code modification for genuine errors shall firstly be handled by the Surveillance Department. The Surveillance Department will satisfy itself about the information and the genuineness of the circumstances in which the error occurred. Only on its satisfaction, the authorization to rectify the error will be granted.

7. If the surveillance department is not fully satisfied, the request will be examined by the management and the authorization will be granted with the management's permission only.

8. In the event, a transaction is erroneously entered into the code of a client and the client whose account the trade really belongs to is not interested to accept it, the

same should be taken to the Corporate Error Account. An erroneous trade will be liquidated/closed out and will not be thrust on any client. A separate ID for Corporate Error Account will be maintained at every Exchange to meet such contingencies. These accounts shall be assigned UCC and uploaded at the Exchange.

9. It shall be in general an effort that all client instructions are correctly received, understood and executed and got verified with the clients, so as to minimize the occasions of client code modification for the errors. Still, if in the case of any dealer, terminal or client, requests for client code modification even for errors are more than exceptional, suitable action should taken to discourage its recurrence.

10. The information for errors including the time, the source, the circumstances narrated, the authorizing officer and his comments, if any, shall be retained in the Surveillance Department and all queries from whatever source regarding errors will be dealt with by the Surveillance Department.

For Pace Stock Broking Services Pvt. Ltd.

Sd/-
Prabhat Sharma
 (Compliance Officer)