

POLICY ON PREFUNDED INSTRUMENTS

It's a Master Policy of the Company for the acceptance of Prefunded Instruments. This policy is Subject to the rules and regulations of the Exchange from time to time.

Title: Acceptance of Prefunded Instrument for trades on Exchanges.

Coverage: Head office, all the branches of the Company and all the franchisees of the company wherever trading terminals / IBT terminals are there.

Scope: Acceptance of Prefunded Instruments like Demand Draft/ Payorder/Bank Guarantees from a client against Payin Obligation/ Margin.

Procedures:

If the aggregate value of Pre-funded instruments is Rs. 50,000/- (Rupees Fifty Thousand Only) or more, per day per client, we may accept the instruments only if the same are accompanied by the name of the bank account holder and number of the bank account debited for the purpose, duly certified by the issuing bank. The mode of certification may include the following:

1. Certificate from the issuing bank on its letterhead or on a plain paper with the seal of the issuing bank.
2. Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument.
3. Certified copy of the passbook / bank statement for the account debited to issue the instrument.
4. Authentication of the bank account number debited and name of the account holder by the issuing bank on the reverse of the instrument.

We maintain an audit trail of the funds received through electronic funds transfer to ensure that the funds are received from their clients only.

Objective: The Objective of this policy is to minimize the frequency of acceptance of Prefunded Instrument, specially Demand Draft where there is a difficulty in tracking the correct source of Issuance.

Permissible Limit: The Prefunded Instruments must be accepted only in cases mentioned above and not otherwise. Approval for acceptance must be taken by either of the executive Directors or the Managing Director and only then credit should be given.