

POLICY ON PRE FUNDED INSTRUMENTS

The policy has been drafted with reference to SEBI Circular No. CIR/MIRSD/03/2011 dated 9th June 2011 with respect to policy on pre funded Instruments. The Policy is subject to the rules and regulation of the Exchange from time to time.

- Title:** Acceptance of pre funded instruments for trades on the Exchange.
- Coverage:** Registered Office of the firm and wherever trading terminals have been given.
- Scope:** Acceptance of pre funded instruments like Demand Draft / Pay Orders etc from the clients against Pay in Obligation/ Margin.
- Procedure:** The pre funded instruments must be accepted only in the following special circumstance:
1. If there is a Bank Holidays on the following day
 2. Clients having account in another bank or in Co-operative Bank
 3. If the client wants to create a position immediately and has no other way of transferring funds.
 4. If the Bank account of the client is in a Co-operative Bank, which may take some time for the cheque to be cleared.
 5. If the firm's Bank clearing account Branch is not available in city/village where the client has his Bank account.
 6. Such acceptance is in accordance with SEBI/Exchange Norms.

Proof For**Acceptance:**

If the aggregate value of pre funded instrument is Rs. 50,000 or more per day per client, we may accept the instrument only if the same are accompanied by the Bank account number of the Bank account debited for the purpose, duly certified by issuing Bank

And the mode of certification may include the following either:

- a. Certification from issuing Bank on its letter head.
- b. Certified copy of the requisition slip.
- c. Certified copy of Bank statement /passbook to verify the amount debited.
- d. Authentication of the account number on the reverse of the instruments.

Objective:

The Objective of this policy is to minimize the frequency of acceptance of pre funded instruments, especially Demand Drafts as the trail of the funds is difficult to track.

Permissible Limits:

The pre funded instruments must be accepted only under circumstances listed above and specific permission from the Partner of the firm must be taken prior to accepting such instruments.