

POLICY FOR PRE-FUNDED INSTRUMENTS

It is a Master Policy of the Company for acceptance of Pre-funded Instruments. This policy is subject to the rules and regulations of SEBI and Exchanges from time to time.

The objective of the policy is to prevent acceptance of third party funds for settlement of dues receivable from Clients and to prescribe processes to deal with instruments issued by any third party as and when received by the Company towards Client dues. As part of our internal control policy, the Company is strictly restricting acceptance of Demand Drafts/Pay Orders/ or any other third party instrument for receipt of funds from Clients to avoid third party pay-in to Client accounts. In exceptional cases of payments by Demand Drafts/Pay Order, self-declaration from the Client alones is not sufficient. Such funds from the Clients through pre-funded instruments mentioned above shall be accepted only after the following conditions as per SEBI circular no. CIR/MIRSD/03/2011 dated 9th June 2011 have been complied within:

In case the aggregate value of pre-funded instruments is Rs 50000/- or more, per day per client, we accept the instruments only if the same are accompanied by the name of bank account holder and number of Bank Account debited for the purpose, duly certified by the issuing bank.

The mode of certification shall be as follows:

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

Only the Managing Director or any other Director of the Company can give approval for acceptance Pre-funded Instruments and only then credit should be given to client.

Records to be maintained for Pre-Funded Instruments

The Member shall maintain complete records of all accepted Pre-Funded Instruments.

Records to be maintained

The following records shall be preserved:

- Client code.
- Client name.
- Instrument type.
- Instrument number.
- Instrument date.
- Instrument amount.
- Issuing bank details.

- Documentary evidence obtained.
- Verification records.
- Credit date.
- Approval records (where applicable).

Monitoring and Review

The Compliance Officer shall periodically review:

- Acceptance of Pre-Funded Instruments.
- High-value transactions.
- Repetitive use by clients.
- AML risk indicators.
- Compliance with regulatory requirements.

Unusual transactions shall be subjected to enhanced scrutiny and reported as required under AML regulations if any.