

Policy on Pre Funded Instruments And Electronic Fund Transfer

With reference to NSE Circular No. NSE/INSP/2011/118 dated June 9, 2011 on the drafted policy on pre-funded Instrument which has been approved by Management/Key Personnel's are given hereunder. The Policy is subject to the rules and regulation of the Exchange from time to time.

If the aggregate value of pre-funded instruments is Rs. 50,000/- or more from client 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 and the mode of certification may include the following either:

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.
5. We also maintain an audit trail of the funds received through electronic fund transfers 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.

Procedures

The Prefunded Instruments must be accepted only in following special circumstances:

1. If there are Bank Holidays on the following day;
2. Client having account in other Banks or in Co-operative bank;
3. If the client wants 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 company Bank accounts clearing branch is not available in the city/village where the client has his bank account;
6. Such Acceptance is approved by SEBI/Exchange Norms

Permissible Limits:

The Prefunded Instruments must be accepted only in cases mentioned above and not otherwise. Approval for acceptance must be taken by either from the Proprietor/Compliance officer and only then credit should be given