

PRE- FUNDED INSTRUMENT

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/ Pay order/Bank Guarantees from a client against Payin Obligation / Margin

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

- 1) If there are Bank Holidays on the following day
- 2) If the client does not have an account in the Client Accounts in which the company has accounts
- 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 cooperative 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.

Permissible Limits: 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 and should not aggregate to more than Rs 50,000/- per day.

- a) If a pre-funded instrument aggregating to Rs 50,000/- or more is received by us in a day, from a client, it should be booked by a letter from the bank stating that the instrument ' has been issued from the clients bank account registered with us
- b) In case of funds received through RTGs or NEFT we must ensure that the funds are remitted from the bank account registered with us In cases where it cannot be ascertained we must ask for a Bank letter from the bank stating the bank accounts details of the client

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.