

PRE - FUNDED POLICY

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:

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 bank 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.
- 6) All the procedures prescribed in Cir/MIRSD/03/2011 dated 9/6/2011 Dt 09/06/2011

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 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.