

**NANGALIA STOCK BROKING PVT LTD**

**508, THE STOCK EXCHANGE TOWER,**

**DALAL STREET, FORT,**

**MUMBAI: 400001**

## **POLICY FOR PRE-FUNDED INSTRUMENTS**

It's a Master Policy of the Company for the acceptance of Pre-funded Instruments. This policy is subject to the rules and regulations of the SEBI and Exchanges from time to time. The objective of the policy is to prevent acceptance of third party funds and to prescribe process to deal with instruments issued by third party when received. As a part of our internal control policy we are strictly restricting Demand Drafts/Pay Orders/Banker's Cheques for the receipt of funds from the clients to avoid third party pay-in to client accounts. In any exceptional case of payment by Demand Drafts /Pay Order/Banker's Cheque, self declaration from the clients is not sufficient. Such funds from the clients through pre-funded instruments shall be accepted after the following conditions as per SEBI circular no. CIR/ MIRSD/03/2011 dated 9th June 2011 & NSE circular no. NSE/INSP/2011/118 dated 9th June 2011 has been complied:

In case of acceptance of pre-funded instruments of Rs.50,000/- or more, per day per client, such as, Pay Order, Demand Draft, and Banker's Cheque etc shall be accompanied by Bank's Certification .

The mode of certification shall be as follows:

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

Only the Executive Director or Managing Director can give the approval for acceptance Pre-funded Instruments and only then credit should be given.

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.