

Policy on dealing with Pre-funded Instruments

It's a Master Policy of the Company for the acceptance of Pre-funded Instruments and it subject to the rules and regulations of the Exchange.

The Objective of this policy is to minimize the frequency of acceptance of Prefunded Instrument, especially Demand Draft where there is a difficulty in tracking the correct source of Issuance.

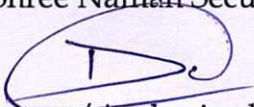
SEBI vide Circular No. SEBI/MRD/ SE/Cir-33/2003/27/08 dated August 27, 2003 and CIR/MIRSD/03/2011 dated June 9, 2011, has specified the guidelines in respect of mode of receipt and payment of funds in the form of Demand Drafts or Bankers cheque etc.

1. While receiving funds from the clients through pre-funded instruments, such as, Pay Order, Demand Draft, Banker's cheque, etc., details in respect of receipt and payment of funds should be maintained in a register as the details of the name of the client and bank account-number are not mentioned on such instruments.
2. As a policy such instrument should be 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.
3. The mode of certification shall include following:-
 - i. Certificate from the issuing bank on the letterhead or on a paper with the seal of the issuing bank.
or
 - ii. Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument.
or
 - iii. Certified copy of the passbook/bank statement for the account debited to issue the instrument.
or
 - iv. Authentication of the bank account-number debited and name of the account holder by the issuing bank on the reverse of instrument.
4. To maintain an audit trail of the funds received through electronic fund transfer to ensure that the funds are received from the particular clients only.
5. 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 wants to create a position immediately and has no other way of transferring funds.
- 3) All the procedures prescribed in Cir/MIRSD/03/2011 dated 9/6/2011 Dt. 09/06/2011 which is annexed with.
- 4) SNSFL may ask additional information if required in this regard. It will be management's authority to accept the payments instruments in such form.
6. The Prefunded Instruments must be accepted only in cases mentioned above and not otherwise. Approval for acceptance must be taken of the Directors and only then credit should be given.

Thanking You
For Shree Naman Securities and Finance Pvt. Ltd.


(Directors/ Authorised Signatories)

