

PRE-FUNDED INSTRUMENTS ACCEPTANCE**V.03.20.01**

This is a Master Policy of the Company for acceptance of pre-funded instruments. This Policy has been devised in view of SEBI Circular No. CIR/MIRSD/03/2011 dated 09 June 2011 and is subject to the rules and regulations of the Exchanges from time to time.

Title:

Acceptance of Prefunded Instrument for trades on Exchanges.

Coverage:

Head Office, the branches of the Company and all the Authorized person of the company

Scope:

Acceptance of Prefunded Instruments like Demand Draft/Pay Order/Bank Guarantees from a client against Payin Obligations/Margins.

All pre-funded instruments having aggregate value of Rs. 50,000/- or more, per day per client, must be accepted 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.

The mode of certification may include the following either:

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

In case of ELECTRONIC FUND TRANSFER/NEFT/RTGS of Rs.50,000/- or more, the Sub brokers/Authorised Persons and Clients shall provide a certificate from the transferee Bank giving the details of the Bank Account from which the funds have been transmitted.

The Authorised Person/client may e-mail the scanned copy of the Bank Certificate for fast credit of the amount and send the original bank certificate by post.



The member reserves the right to reject the payment, post-acceptance and/or processing of the same without any recourse to the client, if any of the requisite documents/declarations are unavailable or incomplete.

Objective:

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

For LKP Securities Ltd.