INDIRA SECURITIES PVT LTDLTD

Policy on Pre- funded instruments / Electronic fund transfers

SEBI vide Circular No. SEBI / MRD / SE / Cir-33 / 2003 / 27 / 08 dated August 27, 2003, while specifying the mode of receipt and payment of funds, has permitted the stock brokers to accept Demand Drafts from their clients. Further on June 9, 2011, SEBI vide Circular No. CIR/MIRSD/03/2011 clarified the procedure by which any pre-funded instruments, such as, Pay Order, Demand Draft, Banker's cheque, etc., can be accepted.

In view of the above, following policy and procedures for pre-funded instruments, such as, Pay Order, Demand Draft, Banker's cheque, etc to be received from clients is framed.:

a. If the aggregate value of pre-funded instruments is ` 50,000/- or more, per day per client, the instruments should be accepted only 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:

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.

No Pay Order, Demand Draft, Banker's cheque should be accepted in the organization if the above mentioned criteria is not fulfilled and necessary audit trail/ copy of the relevant records should be maintained to ensure that the funds are received from the clients only.

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