

Policy on Pre- funded instruments / Electronic fund transfers

While receiving funds from the clients through pre-funded instruments, such as, Pay Order, Demand Draft, Banker's cheque, etc., the stock brokers are unable to maintain an audit trail of the funds so received, as the details of the name of the client and bank account-number are not mentioned on such instruments so to prevent flow of third party funds / unidentified money & to safeguard the integrity of the securities market, SEBI vide circular No. CIR/MIRSD/03/2011 dated 09-06-2011 instructed stock brokers to develop monitoring mechanism so that flow of third party funds/unidentified money can be avoided

Based on the above circular S.A.DESH PANDE & CO (SADCO) will follow following procedure while receiving funds from the clients through pre-funded instruments

1. In case, if the aggregate value of pre-funded instruments is **RS 50,000/-** or more, per day per client, SADCO will accept the instruments 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 & details should tallied with the details provided by the clients in KYC

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

- li. Certified copy of the requisition slip (portion which is retained by The bank) to issue the instrument
 - lii. 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
- 2.** In case of electronic fund transfers like RTGS/NEFT, details available in bank statement like payee name, payee a/c number etc will be checked & tallied with details in back office & in case of non-availability of the details in bank statement, clients will be asked to get it certified from the issuing bank as mentioned above in point no.1

In addition to above SADCO will also follow other circulars/ notices issued by SEBI/Exchange in this regard from time to time to be compliant on this matter