

ABans Group of Companies

Policy on Accepting Pre-funded Instruments

(Revised Edition: Nov'2020)

[Board Resolutions Dated: ASPL - 2nd Nov'20 / ABSPL - 15th Oct'20 / ACIPL - 2nd Nov'20]

ABans Securities Private Limited (ASPL)
ABans Commodities (I) Private Limited (ACIPL)
ABans Broking Services Private Limited (ABSPL)

It is a Master Policy of the Company for acceptance of Pre-funded Instruments. This policy is subject to the rules and regulations of SEBI and Exchanges from time to time.

The objective of the policy is to **prevent acceptance** of third-party funds for settlement of dues receivable from Clients and to prescribe processes to deal with instruments issued by any third party as and when received by the Company towards Client dues. As part of our internal control policy, **the Company is strictly restricting acceptance of Demand Drafts / Pay Orders/Banker's Cheques or any other third-party instrument for receipt of funds from Clients to avoid third party pay-in to Client accounts.**

However, in exceptional cases of payments by Demand Drafts/Pay Order/Banker's Cheque, self-declaration from the Client alone is not sufficient. Such funds from the Clients through pre-funded instruments mentioned above shall be accepted only after the following conditions as per SEBI circular no. CIR/MIRSD/03/2011 dated 9th June 2011 & BSE notice no. 20110610-6 dated 10th June 2011 have been complied with.

We intend to **strictly implement this Policy** as per the **SEBI Circular/s** with regard to **Pre-funded Instruments (Demand Drafts)** to be followed while accepting Demand Drafts issued by a client **for both the "Equities & Commodities" segment;**

1. For Demand Drafts below Rs.50,000

- The **Demand Draft declaration letter (Enclosed)** has to be submitted along with the Demand Draft
- The demand draft has to be from the **same Bank Account that has been updated in our KYC records**

2. For Demand Drafts above Rs.50,000

- The demand draft has to be from the **same Bank Account that has been updated in our KYC records**
- The **Demand Draft declaration letter (Enclosed)** has to be submitted along with the Demand Draft
- **Further to the SEBI Circular dated 9th June'11 (attached) the Demand Drafts received from the client has to be compulsorily accompanied by any one of the documents mentioned below;**
 - **Certified copy of the passbook/bank statement for the account debited to issue the instrument**

- Certificate from the issuing bank on its letterhead or on a plain paper with seal of the issuing bank
 - Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument
 - Authentication of the bank account number and name of the account holder by the issuing bank on the reverse of the instrument
- **We will be rejecting all Demand Drafts issued not in accordance with the above process without any exceptions whatsoever with immediate effect. Only the Managing Director or any other Director of the Company can give approval for the acceptance of any Pre-funded Instruments, if any, subject to the SEBI regulations, and only then credit should be given.**
