



Policy on prefunded Instruments and Electronic Fund Transfer

VERSION 1.0

A. K. STOCKMART PRIVATE LIMITED

Document Details

Title: Policy on prefunded Instruments and Electronic Fund Transfer	Document Owner: Compliance
Document Author(s): Sneha Chandan	Version: 1.0
Classification: Internal	Release Date: 26-Feb-2024

Version Details

Sr No.	Version	Date	Modified By	Reviewed By	Approved By	Comments
1	1	Mat 18,2024	Sneha Chandan	Tejas Davda	Board of Director	Approved
2	1	May 16, 2025	-	Tejas Davda	Board of Director	Approved

Summary of Change

Date	Content
May 16, 2025	Reviewed.



Contents

Introduction 3

Objective 3

Policy 3

Introduction

SEBI vide circular no. SEBI/MRD/SE/Cir-33/2003/27/08 dated August 27, 2003, has specified that the stockbrokers can accept demand drafts from their clients. However, SEBI vide circular no. CIR/MIRSD/03/2011 dated June 9, 2011 and National Stock Exchange vide its circular no. NSE/INSP/18024 dated 09-Jun-11 has advised stock brokers to maintain an audit trail while receiving funds from the clients through Demand Draft (DD)/Pay Order (PO)/Bankers Cheque (BC) since such third party pre-paid instruments do not contain the details like name of the client, bank account number are not mentioned on such instruments. Non maintenance of audit trail may result in flow of third-party funds or unidentified money which may result in breach of regulations issued under PMLA and SEBI circulars.

Objective

The objective of the policy is to prevent acceptance of third-party funds and to prescribe the process to deal with instruments issued by third party when received.

Policy

If the aggregate value of pre-funded instruments is Rs. 50,000/- or more from client per day per client, we may 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.

And the mode of certification may include the following either:

- Certificate from the issuing bank on its letterhead or on plain paper with the seal of the issuing bank.
- Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument.
- Certified copy of the passbook/bank statement for the account debited to issue the instrument.
- Authentication of the bank account-number debited and name of the account holder by the issuing bank on the reverse of the instrument.
- We also maintain an audit trail of the funds received through electronic fund transfers to ensure that the funds are received from their clients only.