

C. R. KOTHARI & SONS STOCK BROKING PRIVATE LIMITED
CIN: U67120UP2004PTC038336

Policy on Pre Funded Instruments Acceptance
(version 2015-16)

Background:

C. R. Kothari & Sons Stock Broking Private Limited (CRK), a Trading Member of National Stock Exchange of India Limited, As the requirement of Exchange & SEBI, Company has framed a “Policy on Pre Funded Instrument Acceptance” with the objective of prohibiting the flow of third party funds and unidentified money through pre funded instruments like NEFT/DD/PO/ RTGS etc.

Objective:

The objective is to maintain audit trail for such acceptances of such funds and ensure that no third party funds are accepted unless with proper documentary evidences.

Scope:

This policy is framed for accepting NEFT/DD/PO/RTGS at “CRK”. This policy covers all such instruments accepted from the clients. If the aggregate value of pre-funded instruments is ₹ 50,000/- or more, per day per client,

“CRK” 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.

a. 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.

b. Maintain an audit trail of the funds received through electronic fund transfers to ensure that the funds are received from their clients only.

The accounts staff at “CRK” is responsible for ensuring the compliance and would maintain the relevant documentary evidence for the same which would be produced before the regulatory authorities whenever required. The compliance officer would periodically review this policy and would ensure its compliance along with the accounts department.