

Policy on Pre-Funded Instrument

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.

We, at **OSWAL SHARES & SECURITIES LTD. (OSSL)** (hereinafter referred to as "OSSL"), Member of National Stock Exchange Ltd. and The Stock Exchange Mumbai not accepting any receipt from the client in form of Pay Order, Demand Draft, Banker's cheque, or through internet banking channel etc.

Although, as per the SEBI circular, We have listed down our policy for the same.

While receiving funds from the clients through pre-funded instruments, such as, Pay Order, Demand Draft, Banker's cheque, etc., it is observed that to enable the **OSSL** 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, and also, to restrict the flow of third party funds / unidentified money, which is not in accordance with the provisions of the aforesaid circular and also affects the integrity of the securities market **OSSL** has framed the guidelines as follows

- a. If the aggregate value of pre-funded instruments is ` 50,000/- or more, per day per client, **OSSL** 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. 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 so received through electronic fund transfers to ensure that the funds are received from our clients only.