****

FARSIGHT SECURITIES LTD.

H.O.: 17A/55, WEA, TRIVENI PLAZA,
GURUDWARA ROAD, KAROL BAGH,
NEW DELHI – 110 005

Policy created by	Operational staff and Compliance Officer
Policy reviewed by : Compliance Head	Policy reviewed on : 10.04.2026
Approval authority	Chairman – Dr. Naresh Maheshwari
Policy approved on : 10.04.2026	Previous Review : 17.04.2025
Periodicity of Review periodicity : Yearly	Last reviewed on : 31.08.2024
Version number PF-2026-1	Policy on Website : Yes

Policy regarding Prefunding Instrument/Direct deposit of Cheques by clients:-

(As per **SEBI** Circular No. SEBI/MRD/SE/Cir-33/2003/27/08 dated August 27, 2003 and previously issued SEBI circular No **CIR/MIRSD/03/2011 dated June 9, 2011.)**

Background

SEBI/MRD/SE/Cir-33/2003/27/08 dated August 27, 2003 has specified that the stock brokers 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-2011 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 into breach of regulations issued under PMLA and SEBI circulars.

Policy

As a part of our internal control policy we are strictly restricting Demand Drafts/Pay Order/ Banker's Cheque towards the receipt of funds from the clients. In any exceptional case of receiving funds from the clients through pre- funded instruments, such as Demand Draft, Pay Order, Banker's Cheque etc., we are strictly complying the following conditions as per SEBI circular Ref.No: CIR/ MIRSD/03/2011 dated 9th June 2011:

a) Demand draft of the value of less than Rs 50,000 may be accepted from the client along with a DD Declaration from the client.

b) If the aggregate value of pre-funded instruments is ` 50,000/- or more, per day per client, the Stock brokers 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.

In case of direct deposit of Cheque by client/Branch in the bank, the following will be required before giving credit to the client. The mode of certification may include the following:

1- Certificate from the issuing bank on its letterhead or on a plain paper with the seal of the issuing bank.
2- Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument.
3- Certified copy of the passbook/bank statement for the account debited to issue the instrument.
4- Authentication of the bank account-number debited and name of the account holder by the issuing bank on the reverse of the instrument.

c) If a client submits pre-paid instruments at different times during the day, than we will not allow or credit to the client as stated that instrument with which the aggregate value of pre-paid instruments submitted exceeds Rs 50,000 for that date.

d) We are maintaining an audit trail of the funds received through electronic fund transfers to ensure that the funds are received from the respective clients only. Necessary details may be collected from banker at which the amount is received.

e) While giving credit to respective client's ledger, Head Office needs to cross check /verify with documents that such instrument is received from respective client's.

f) Directors or the Managing Director allow, only then credit should be given. It is the duty of the compliance officer to ensure that no Pay Order, Demand Draft, Banker's cheque should be accepted in the organization if the above mentioned criteria is not fulfilled. The compliance officer will also maintain an audit trail of the funds received through electronic fund transfers to ensure that the funds are received from their clients only.

Policy regarding Direct deposit of Cheques by clients' docs due diligence:-

(a) Scanned copy of cheque showing the same bank account number as per record of Farsight, or

(b) Copy of the bank statement where cheque has been debited, with the same bank account number, or

(c) Mail from the client from designated mail Id of client confirming the amount, cheque number and bank, or

(d) Letter from the client duly counter signed by the BM/Franchisee providing details of amount, cheque number and bank.

Policy reviewed and approved in Board Meeting held as on 10.04.2026