KSN CREDENCE COMMODITIES TRADING PRIVATE LIMITED

POLICY ON ACCEPTANCE OF PRE-FUNDED INSTRUMENTS

1. Objective

This Policy lays down the framework for acceptance of funds through pre-funded instruments from clients to ensure compliance with applicable SEBI regulations, Exchange requirements and Anti-Money Laundering (AML) guidelines. The objective is to ensure that funds are received only from the respective client and that a proper audit trail is maintained.

2. Scope

This Policy shall apply to all offices, branches, Authorised Persons and employees of KSN Credence Commodities Trading Private Limited dealing with receipt of client funds towards margin, settlement obligations or any other permitted purpose.

3. Regulatory Framework

This Policy has been framed in accordance with:

- SEBI Circular No. CIR/MIRSD/03/2011 dated June 09, 2011 on Acceptance of Pre-funded Instruments.
- Applicable SEBI Master Circulars for Stock Brokers, as amended from time to time.
- Applicable Rules, Bye-laws, Regulations and Circulars issued by the Stock Exchanges and Clearing Corporations.

In case of any inconsistency, the applicable regulatory provisions shall prevail.

4. Policy Guidelines

The Company encourages clients to transfer funds through normal banking channels such as NEFT, RTGS, IMPS, UPI, Internet Banking or Account Payee Cheque.

Acceptance of pre-funded instruments such as Demand Drafts, Pay Orders or Banker's Cheques shall be permitted only in exceptional circumstances and subject to compliance with applicable regulatory requirements.

The Company shall ensure that:

- Pre-funded instruments are accepted only from the registered client.
- The source of funds is verified before credit is given.
- Documentary evidence, wherever required under applicable regulations, is obtained and preserved.

- No third-party funds shall be accepted except where permitted under applicable law or regulatory guidelines.
- A proper audit trail of all such transactions is maintained.
- The Company reserves the right to reject any pre-funded instrument where the source of funds or supporting documents is found to be unsatisfactory.

5. Compliance and Monitoring

The Compliance Officer and Operations Department shall ensure adherence to this Policy and applicable regulatory requirements. Necessary records shall be maintained for such period as prescribed under applicable laws and shall be made available during regulatory inspections or audits.

6. Review of Policy

This Policy shall be reviewed periodically and may be amended by the Board of Directors or any authority authorised by the Board to incorporate changes arising from SEBI, Stock Exchange or other applicable regulatory requirements.

7. Website Disclosure

This Policy shall be hosted on the official website of the Company for the information of clients and other stakeholders.

8. Interpretation, Amendment & Website Disclosure

This Policy shall be read in conjunction with the applicable provisions of the Securities and Exchange Board of India (SEBI) Act, Rules, Regulations, Circulars, the Rules, Bye-laws and Regulations of the respective Stock Exchanges and Clearing Corporations, and other applicable laws, as amended from time to time.

The Board of Directors or any person(s) authorised by the Board may amend, modify or revise this Policy to align with changes in the applicable regulatory framework or operational requirements.

In case of any inconsistency between this Policy and any applicable law, rule, regulation, circular or direction issued by any regulatory authority, the applicable regulatory provisions shall prevail.