



MADHUVAN SECURITIES PRIVATE LIMITED
Member of National Stock Exchange of India Limited
Member of National Securities Depository Limited
CIN: U67120GJ1995PTC024502
Regd. Office
82, Madhuvan, Opp. Hotel West End, Ellisbridge,
Ahmedabad-380 006
Tel : 079-68198992 Email : info@madhuvan.com

MADHUVAN SECURITIES PRIVATE LIMITED

POLICY ON PRE FUNDED INSTRUMENTS

With Reference to NSE Circular No. NSE/INSP/18024 dated 09-Jun-11 and other circular with subject to the Pre Funded Instrument, drafted policy on Pre Funded Instrument which has been approved by the management of the Company are given as hereunder. The Policy is subject to the Rules and Regulation of the Exchange from time to time.

OBJECTIVES:

The Objective of this policy is to minimize the frequency of acceptance of Prefunded Instrument, specially Demand Draft where there is a difficulty in tracking the correct source of Issuance.

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

PRE-FUNDED INSTRUMENTS: -

Prefunded Instrument Referred as Pay order, Demand Draft, banker's Cheque etc.

PROCEDURES: -

The prefunded Instruments must be accepted only in following special circumstances.

- If there are bank Holiday's on the following day's
- Client having account in other Bank or Co-operative Bank
- If the client wants to create a position immediately and has no other way of transferring ;
- If the bank Account of the clients is in a co-operative Bank, which may take some time for the cheque to be cleared



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- If the Company Bank Accounts clearing branch is not available in the city / village where the client has his Bank Account.
- Such acceptance is approved by SEBI/Exchange norms.

PROOF OF ACCEPTANCE

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:

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

To maintain audit trail of the funds received through electronic funds transfer to ensure that the funds received from specific clients only.



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PERMISSIBLE LIMITS

The Prefunded Instruments must be accepted only in cases mentioned above and not otherwise. Approval for acceptance must be taken by either of the management or Compliance Office of the Company and only then credit should be given.

DATE :09/04/2024
