PRE-FUNDED INSTRUMENTS/ ELECTRONIC FUND TRANSFER POLICY

Vridhi Capital & Finance Private Limited ("VRIDHI") is a SEBI-registered Stock Broker and Depository Participant. This Policy establishes the framework for acceptance, verification, monitoring, and recording of funds received from clients through pre-funded instruments and electronic fund transfers, with the objective of ensuring that funds are received only from the respective client's verified bank account.

Scope and Coverage

This Policy shall apply to the Head Office, branches, Authorised Persons (APs), franchisees, and all locations where trading or Internet-Based Trading (IBT) facilities are provided by VRIDHI.

The Policy covers acceptance of pre-funded instruments, including Demand Drafts (DD), Pay Orders (PO), Banker's Cheques (BC), and other permitted banking instruments, as well as electronic fund transfers received towards margin, pay-in obligations, or other permitted client obligations.

Objective

The primary objective of this Policy is to prevent acceptance of third-party funds and ensure a proper audit trail for all funds received from clients. It also prescribes appropriate verification and control procedures to identify the source of funds and ensure compliance with applicable SEBI requirements and the Prevention of Money Laundering Act (PMLA).

Regulatory Background

SEBI, vide Circular No. SEBI/MRD/SE/Cir-33/2003/27/08 dated August 27, 2003, permitted stock brokers to accept demand drafts from clients.

Further, SEBI Circular No. CIR/MIRSD/03/2011 dated June 9, 2011 prescribed requirements for maintaining an adequate audit trail for funds received through Demand Drafts, Pay Orders, Banker's Cheques and similar instruments, particularly where client and bank account details are not readily identifiable.

Accordingly, VRIDHI shall exercise appropriate due diligence to ensure that third-party or unidentified funds are not accepted or credited to client accounts.

Policy and Procedures

VRIDHI shall maintain a Pre-Funded Instruments Received Register, either electronically or physically, recording details such as the date of receipt, client name/code, amount, instrument number, issuing bank, and other relevant particulars necessary to establish a proper audit trail.

Pre-funded instruments below ₹50,000 may be accepted subject to appropriate verification and recording in the prescribed register.

Where the value of a pre-funded instrument, or the aggregate value of such instruments received from a client during a day, is ₹50,000 or more, the instrument shall be accepted only upon obtaining appropriate documentary evidence confirming the name of the bank account holder and the bank account number from which the instrument was funded.

Such evidence may include:

Certification from the issuing bank;

Certified copy of the requisition slip used for issuing the instrument;

Certified copy of the relevant bank statement or passbook; or

Authentication by the issuing bank on the reverse of the instrument confirming the account holder's name and bank account number.

Where multiple instruments are submitted during the same day and the aggregate value reaches or exceeds ₹50,000, the prescribed documentary evidence shall be obtained at the stage when the applicable threshold is reached.

Electronic Fund Transfers

Funds received through electronic modes shall be subject to verification to establish that the remittance has originated from the respective client's registered/verified bank account.

VRIDHI shall maintain an appropriate audit trail for electronic fund transfers and, wherever required, obtain necessary transaction or remitter details from the bank/payment records before crediting the client's ledger.

Third-party electronic fund transfers shall not be accepted or credited to a client's account.

Unidentified Funds/Instruments

Where a pre-funded instrument is received through post, courier, or any other mode without sufficient information to establish its source, the instrument shall not be deposited or credited until the necessary details and supporting documents are obtained and verified.

Similarly, where an electronic transfer cannot immediately be identified with the respective client, the amount shall not be utilized or credited to the client's ledger until satisfactory confirmation of the source of funds is obtained.

The Head Office/concerned authorised official shall verify the supporting documents and source of funds before providing credit in the respective client's ledger.

Approval and Review

This Policy shall be approved by the Board of Directors of Vridhi Capital & Finance Private Limited and shall be reviewed periodically and/or whenever required due to amendments in applicable laws, SEBI/Exchange/Depository requirements, regulatory directions, or changes in the Company's business operations.

Policy Communication

This Policy shall be communicated to all concerned employees, Compliance Officers, departmental officials, Authorised Persons, and other relevant personnel responsible for handling client funds.

The Policy shall also be made available on the Company's website, wherever required under applicable regulatory requirements.

Last Reviewed on	Reviewed By	Approved By
02-04-2026	Compliance Officer	Management