

Policy on Pre-Funded Instruments / Cash deposit by Client

SEBI vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2018/113 dated July 12, 2018 regarding Discontinuation of acceptance of cash by Stock Brokers, Notice No. 20181106-14 dated 06 November 2018 by BSE and Circular Ref. No. 346/2018 dated 05 November 2018 by NSE in relation to Amendment to indicative penalty structure-Cash Dealings.

In view of the above, SMC Global Securities Ltd. (SMC) have decided not to accept cash whether against obligations or as margin for purchase of securities in any circumstances and Demand Draft or Pay Order from the clients under any circumstances for any amount. Under exceptional circumstances and any unavoidable reason cited by the client which is genuine and justifiable, SMC can accept the Demand Draft / Pay Order along with any one of the following documents from the client.

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.

SMC don't accept cash at all. If any client deposit Cash directly to bank accounts of SMC, No credit will be given to client against such cash deposited and to receive his fund back client have to clear his debit balance / obligations of his account by paying account payee cheque from his registered mapped bank account as per KYC. After clearance of the said cheque, a Demand Draft / Pay Order will be issued to client against cash deposited.

To discourage Cash deposit by clients in SMC bank accounts and in view of the above-mentioned exchange circulars, SMC shall impose a penalty of Rs. 1000/- or 10% of cash deposited (+ GST), whichever is higher, on such clients and in case of repetitive instances, the penalty shall be escalated by 50% of the cash deposited. Further, a penalty of Rs. 1000/- may be imposed to the concerned Authorised Person/Franchisee/Branch to whom said client is associated with.

The decision in regards to imposition of penalty by SMC shall be final and binding on the defaulting client(s) and AP/Branch. 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.