

## OSWAL SHARES & SECURITIES LTD

### INTERNAL CONTROL POLICY

#### Policy a. refusal of orders for penny stocks

**Oswal Shares & Securities Ltd** does not place any restriction on trading of any listed security on any of the exchanges. Sale of all securities held in the demat account of the client is allowed. Sale of the physical securities is not allowed unless with the express approval of the Director. (In case securities that are part demat are purchased and the delivery is received in the physical form from the market, the client would be expected to transfer the securities in to its name demat the same and then sell it back)

If unusual trading patterns are observed in any securities, trading in that securities may be debarred by **Oswal Shares & Securities Ltd**. At the discretion of the Directors

#### Policy b. Setting up client's exposure limit

**Oswal Shares & Securities Ltd**. Sets the exposure allowed to the client is based on the combination of the following factors:

1. The funds and securities of the client lying with **Oswal Shares & Securities Ltd**. In the form of margins/balance in the bank and demat account of the client for which Power Of attorney has been given to **Oswal Shares & Securities Ltd**
2. Past track record of the client in their dealings
3. Networth/ goodwill of the client
4. Recommendations of the sub brokers/remisier/authorized person who stand guarantee to the trade

#### Policy c. Imposition of penalty/ delayed payment charges by either party, specifying the rate and the period not resulting in funding by the broker in contravention of the applicable laws

Under no circumstances will any penalty/delayed payment charges will be payable by **Oswal Shares & Securities Ltd**. To the client. Further as a policy **Oswal Shares & Securities Ltd**. Does not charge any intrest to the client unless under the 'margin Trading' facility. However the following costs shall be borne by the client and will be recovered by the **Oswal Shares & Securities Ltd** from the clients.

1. Twice the amount of any penalty/fees/fines/penalties/other charges levied by any Exchange/Clearing House/Clearing Corporation/Sebi/any regulator on **Oswal Shares & Securities Ltd**. Due to the acts/actions/orders/trades of the clients.
2. Rs.500/- plus charges of the bank at the actual for cases of cheque returne
3. Intrest to the clients at the rate of one and a haif person per month or part thereof in case of dues of the clients where the matter has been reffered to arbitration in case of disputes



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4 The client or a group of clients if they may so desire can place the funds with the Trading Member for the purpose of making FDR with A Bank. The interest earned from such FDRs shall be credited to the account of the client within one month of the receipt of the interest from the bank/end of the financial year Whichever is earlier

**Policy d. The right to sell Client's securities or close clients' positions, without giving notice to the client, on account of non-payment of client's dues (Limited to the extent of settlement/ margin obligation)**

In case the client fails to meet his margin/settlement obligation on the Pay-In date or when they are due, the member shall have the right to sell clients' securities or close clients' positions, without giving notice to the client as permitted in the rules/regulations/bye laws/circulars of the concerned exchanges. The client is expected to at all times monitor the stock exchanges websites for the latest real time prices and keep track of the market to market losses, if any,

**Policy e. Shortages in obligations arising out of internal netting of trades**

In case of internal positions, the same shall be sent for self auction facility where available. In case where the self auction facility is not available (as is presently not available in NSE), the securities shall be purchased back in the account of the seller who has not delivered and the securities cannot be purchased back for any reason whatsoever, the same shall be closed out at 20% above the closing price On Today. Any loss of corporate benefit to the buyer of the securities shall be recovered from the defaulting seller's account

**Policy f. Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client**

The risk management policy of the client is put on the website of the client. Based on the said policy, the member may not allow the client to take further position in the market. Further, the existing position of the client may be closed and the securities of the client lying with the trading member may be sold when:

1. The client fails to meet his commitment for deposit of funds/ securities (including cases of cheque return for any reasons whatsoever for reasons attributable to the client)
2. where the client is unable to provide funds/ securities in a manner that can be transferred to the exchange immediately for pay-in/margin obligations.
3. When the trading member has reasonable grounds to believe that the client is involved in illegal/ unethical activities.
4. In case of high market volatility where the current margins of the client with the Trading Member does not cover the value at risk of the client.



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### **Policy g. Temporarily suspending or closing a client's account at the client's request**

At the written/ verifiable verbal request of the client, the trading account of the client would be put in the suspended mode. The said account would remain in suspended mode till such time the client requests for the reactivation of account. Provided however that the account cannot be closed/ suspended in case the account of the client with the broker is in debit and there are amounts/ securities due from the client to the broker.

### **Policy h. Deregistering a client**

A client will be deregistered on the following situations:

1. Where the client has defaulted at the trading member
2. When the clients request for the same.