



RISK MANAGEMENT POLICY

A. Intraday & Delivery Limit: Intraday Limits for the client on Credit + Stock (after 25% hair cut) shall be 3 times of Var Margin or around 8-10 times of value in front line scrip.

But, Client may take delivery of Maximum 3 times (1 time for illiquid Scrip) of credit or stock with TSBPL. And such outstanding is to be cleared by T+2 day.

B. Charge of Interest on outstanding amount if Debit not Cleared by T+2 Days

Although the selling in accounts with continuous debits may be done by RMS division on any day after T+2, normally RMS selling done on T+5 days, but for all the debits standing for more than T+2 days, an interest shall be chargeable @18% p.a. on such debits from date of debit i.e. the purchase date of the stock.

1. In case of Continuous Debit for last 5 days: Stock will be sold on T+5 day.

For example, if Debit comes in any client code on Monday (i.e. 13/08/13) and it is not cleared by Saturday (i.e.18/08/13), then stock of the client will be sold on next Monday (i.e.20/08/13) up to the amount of outstanding Debit balance.

2. In Case of Delivery based buying being more than 3 times of Ledger Balance or 2 times of Stock on T Day:

Stock will be sold by RMS Division on T+2 day by 12:00 PM, if cheque status/payment is not received on T+1 day.

For example, if Ledger Balance is Rs.5000 (Credit) & old stock holding is 10,000 as on 13/08/13 and delivery based buying has been made for more than Rs.35000 (5000 X 3+10000 X 2) on 13/8/13, then stock will be sold on 15/8/13, if not cleared by 14/8/13.

However if in the opinion of RMS division such open position may attract risk till T+2 day , then it may sell the stock on T+1 day morning itself.

3. In case of M to M Loss : If M to M Loss (F& O and Cash Segment) is more than Ledger Balance on T day, then in the absence of cheque status /payment by T+1 day, stock will be sold up to the amount of net loss on T+2 day.

For example if Ledger Balance is Rs. 10000 (Credit) on 13/08/13 and M to M Loss on 13/08/13 is Rs. 15000, then stock will be sold up to Rs. 5000 on 15/08/13, in the absence of any cheque status/payment by 14/08/13.

4. In case Client's Cheque returns: If a client's cheque is returned by bank due to insufficient funds, and if Ledger Balance is negative, then stock will be sold up to the amount of negative Ledger Balance or cheque returned amount, whichever is lower. Further a penalty of Rs.250/- or 1% of the cheque returned amount, whichever is lower will be charged in Client's Code.

Also Please take the note that RMS Division / Company shall not be liable for any loss arise due to RMS selling on non payment as well as loss in case where RMS Selling may not be done as mentioned above by RMS due to any reason.



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Tipsons stock Brokers Private Ltd. Reserves the right to change the above policies any time in general or in particular case within the Exchange / SEBI regulations / guidelines.

Various other terms / provisions of RMS policy:

Functionalities

Short Sell - In case the client wishes to place an order, the order panel displayed shows two options i.e. Delivery / Margin. If the client wishes to Short sell a scrip, he has to choose Margin option and then place the order to short sell the scrip.

Buy Today Sell Tomorrow - This type of option is not available in our IBT Software and if in any case the client sells a scrip of which he has not received any delivery then he can do this at his own risk. TIPSONS do not inter-settle any such transactions and thus auction the shares of the respective client.

Order Execution

The order panel displays the various details which are to be selected by the client. After that the client has to click OK. Once again the Confirmation Note is displayed as to accept the order or not. If the client clicks OK the order is finally punched and executed.

The time taken in the order execution is Real Time i.e normal time taken in a particular transaction based on Internet Connectivity.

There is no bifurcation of orders Quantity wise rather it is Value wise. The order size whether big or small depends entirely on the Exposure limit. If the order of the client exceeds the exposure limit available to him then the order is rejected. In case the client wants to punch an order exceeding his exposure limit then either he has to send a cheque for the respective amount or if he commits to pay the amount in due course of time then his limit is increased, depending upon his credit worthiness / referrals and past transaction history with us and thus his order is accepted.

Note on Off-The Floor Transaction

No Off-the Floor Transactions are carried out by us.

Note about Contract Notes

In general, TIPSONS issue Contract Notes to all clients in Electronic format (ECN) who have provided their respective consent. Such ECN are invariably digitally signed by our authorized representative. Even the same are being displayed on our website also. If the e-mail id of the respective client is not available or the mail is bounced back for any reason then such clients are being issued contract notes in physical format through courier. Even clients who visits directly to our office and demands physical contract notes once again, the same are being issued to him/them. The Courier agency regularly collects the courier covers from our office daily in the evening and dispatch the same to respective clients.

Note about Third Party Securities Collection

Generally, TIPSONS do not allow third party securities. Even TIPSONS try to discourage the same. However in a case there is a receipt of certain third party shares in our Settlement / Pool A/c directly, the said comes to our notice by way of mismatch report once the transaction takes place. Immediately, TIPSONS call/send SMS to respective clients about the same and informs about such transaction and when he confirms that the shares have been transferred either from his other demat account not registered with us at the time of account opening or from his family member's account,



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and TIPSONS confirm the details of the Client ID & Demat ID & call for proper proof of the said account not registered with us, which has to be submitted by the client in 2-3 working days. However the possibility of carrying out such transaction is very rare and minimal. On submission of the valid proofs, the new details are registered in the Client Master which is accordingly updated.

If the transfer is from the client's family member's account, then the client is warned not to repeat it again.

Third Party Cheque Collection

Generally, TIPSONS do not allow third party transactions. However, in a case whenever there is a direct deposit of certain third party cheques in our Bank A/c either by client/ sub-broker, then the client confirms the above deposit either through mail / fax / phone and intimates us about the bank and cheque details. In such cases, TIPSONS warns the client not to deposit directly any third party cheques and also confirm about the details from whose account the cheque has been deposited. Even the client is being informed about making necessary arrangement for addition / updation of his bank account details in our client master.

In case, where there is no information / confirmation regarding the drawer of the cheque in whose account necessary credit is required to be given, then TIPSONS transfer the above amount into our Suspense Account and in turn asks our bankers to verify and confirm about providing such details to us. Earlier this was confirmed with the bankers on monthly basis but as per bankers request the same is being done on quarterly basis.

Note on Internal Auction

On the next day of Pay-in, when there are two clients standing internally on the same scrip, then TIPSONS make close-out. This bill is made in X Settlement and the buyer's shares are purchased on close-out date in Rolling Settlement. The close-out in X settlement are 2% higher than that in Rolling Settlement. In case, when there is a buying cap on particular scrip and when TIPSONS is not able to purchase the same, then TIPSONS settle it according to the rate in the buying cap, which is informed/confirmed to the buyer thru telephonic/SMS/Email conversation. The said limit can be extended/curtailed as per prevalent market conditions from time to time in absolute discretion of TIPSONS.

Note on T group, Ts Group and Z group/Illiquid Securities:

In T group, Ts group and Z group or Illiquid Scrips/securities, TIPSONS keep a limit of Single trade value of Rs. 50,000/- which can be increased in the range of Rs. 5,000/- to Rs. 10,000/- gradually. The Total Gross Limit is fixed at Rs. 20,00,000/- which cannot be exceeded unless by the permission of the higher authority. The said limit can be extended/curtailed as per prevalent market conditions from time to time in absolute discretion of TIPSONS.

PRECAUTIONARY MEASURES BEING ADOPTED DURING HEAVY MARKET FALLS:

As a part of our risk management system, TIPSONS has inducted our separate team who is monitoring the exposures of clients / sub-brokers on run-time basis. During market fall, TIPSONS observe the position of respective client as well as sub-brokers like his credit balance available with it, securities lying with it etc. and depending upon the same, TIPSONS allow them to transact or create the position or to extend / subtract their position. At the same time, TIPSONS has to consider respective client's trade history/experience with us, his financial capacity and/or credit worthiness and referrals. In case, there is debit balance, TIPSONS request client to provide sufficient margin / securities / funds to carry out his request for fresh buying or to create fresh position.



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Disclosure: In order to protect its interest, Tipsons Stock Brokers Pvt. Ltd. (TIPSONS) reserves its right to alter / amend this RMS policy in its absolute discretion from time to time considering its prevalent RMS policy and market conditions or as per the regulatory requirements without any intimation to clients. However, clients are being advised to refer and actually understand the KYC requirements, prevalent RMS policy and such other terms and conditions before entering into any transactions with TIPSONS. In case of any query or for further understanding, client may approach the compliance department on 079-66828019 or by Fax – 079-30611137.



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