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Client Risk Profiling & Categorization Policy

1. Objective

The objective of this policy is to classify clients based on their risk profile to ensure compliance with regulatory guidelines and industry best practices. This policy is framed in line with SEBI guidelines, exchanges' circulars, and best market practices.

2. Regulatory Framework

This policy adheres to the provisions of the following regulations:

- SEBI (Stock Brokers) Regulations, 1992
- SEBI Master Circular on Anti-Money Laundering (AML) & Know Your Customer (KYC) Norms
- SEBI Circular on Enhanced Supervision of Stock Brokers
- Prevention of Money Laundering Act, 2002 (PMLA)

3. Risk Categorization Criteria

Clients shall be categorized into three risk groups based on the following parameters:

3.1 Low-Risk Clients

- Individuals with stable income and a long-term investment horizon.
- Corporate clients with well-documented sources of income and strong financials.
- Government entities, regulated institutions, and reputed organizations.
- Clients with transparent transaction patterns and low trading volumes.

3.2 Medium-Risk Clients

- Individuals with moderate income but engaging in frequent trading.
- Small and Medium Enterprises (SMEs) with regular trading activities.
- Clients engaged in proprietary trading with reasonable turnover.
- Clients with periodic large transactions but justified by their financials.

3.3 High-Risk Clients

- High-net-worth individuals (HNIs) with aggressive trading.
- Clients from high-risk jurisdictions as defined by regulatory authorities.

- Clients executing large or frequent trades with no clear economic rationale.
- Clients having adverse media reports or negative background checks.

3.4 Client under Special Category

- Politically Exposed Persons (PEPs) and their relative.
- Existing debarred entity or person.

4. Risk Profiling Process

- **Collection of KYC Information:** Details such as source of income, financial status, investment objectives, and trading patterns.
- **Verification of Documents:** PAN, Aadhaar, bank details, tax returns, and other relevant documents.
- **Client Due Diligence (CDD):** As per SEBI and PMLA requirements, including enhanced due diligence for high-risk clients.
- **Ongoing Monitoring:** Continuous assessment of trading patterns and re-categorization if needed.

5. Review & Reclassification

- Client risk categorization shall be reviewed periodically (at least annually) or upon significant changes in their trading behaviour or financial status.
- Any suspicious transactions shall be reported to the Financial Intelligence Unit (FIU-IND) as per regulatory requirements.

6. Compliance & Reporting

- The Risk Categorization Policy shall be implemented and monitored by the Compliance and Risk Management team.
- Regular audits shall be conducted to ensure adherence to SEBI and exchange norms.

This policy is revised and approved by the Board of Partners in the meeting held on 1st September 2026 at its registered office and will be reviewed periodically for updates as per regulatory changes.

For, Eklingji Broking LLP

Partners

EKLINGJI BROKING LLP
M.R.Shah
DESIGNATED PARTNER

EKLINGJI BROKING LLP
DESIGNATED PARTNER