

Risk Profile Categorization/ CSC **(Clients of Special Category) Policy**

A Risk Management System is integral to an efficient Risk system. We have put in place a comprehensive risk management system, which is constantly upgraded as per the Exchange, SEBI & PMLA norm and also as per Market Movement.

The Model of RMS in GEPL consists of GEPL Owned Branches, Franchisee & Sub-brokers-Authorised Person.

All the staff, Branches, Branch Manager, and Sub-broker needs to understand and follow the policy as it is the integral part of company.

Categorization Of RISK

GEPL Capital Pvt.Ltd. classifies clients into High Risk Profile, Medium Risk Profile and Low Risk Profile. Such classification is done based on a personal relationship maintained with clients and respective Branch in Charges. Apart from this, all the clients are evaluated based on the initial margin and subsequent margins paid by them. The trading patterns of clients are also taken into consideration for classification of risk profile.

All the clients should be classified as High, Medium or Low risk clients and a periodic monitoring of the client activity should be undertaken based on the classification

Category A - LOW RISK

Category B - MEDIUM RISK

Category C - HIGH RISK

Category D - Very High Risk

- **Assign Risk Profile category of clients during a/c opening :**

Face to Face clients within city	Low Risk
Face to Face clients of other than city	Low Risk
Client Introduced by existing Face to Face Clients	Low Risk
Client Introduced by other Existing Clients	Medium Risk
Direct Clients of city	Medium Risk
Direct Clients of other than city	High Risk
Nonresident Clients	Very High Risk

Other Details : Gross Income

Below 1 lac & 1 to 5 Lacs	Low Risk
5 to 10 lacs	Medium Risk
10 to 25 lacs	High Risk
25 lacs and above	High Risk

Nature of Business Activity, Trading Turnover etc

Retail clients (Avg. daily turn < Rs 10 Lakhs or net obl < Rs 3 Lakhs)	Low Risk Retail
clients (Avg. daily turn < Rs 25 Lakhs or net obl < Rs 7 Lakhs)	Medium Risk HNI
Clients (Avg. Daily turn > Rs 55 Lakhs or net obli > Rs 15 Lakhs)	High Risk

Manner of Making Payment

Regular payment through A/c payee cheque from the Bank A/c already mapped with us	Low Risk
Payment through A/c payee cheque from the Bank A/c other than one already mapped with us	Medium Risk
Payment through Banker's Cheque / DD / Cash	High Risk
Client of Special Category	Very High Risk

Other

- Nature of Business Activity, Trading Turnover etc
- Manner of Making Payment
- Cheque bounce cases
- Auction due to non delivery cases
- Clients who are trading with outside DP
 - a) High speculative nature of trading -speculative clients whose turnover is not in line with the Financials
 - b) Clients trading on a regular basis in illiquid/ thinly scrips in large volume and quantity

The categorization will be made based on the following parameters/ factors of risk perception:

• **Category A (Low Risk) :**

Clients are those who pose a low or nil risk. They are good corporate /HNI/ Individual who has a respectable social and financial standing.

- Clients who make payment on time and take delivery of shares.
- Debits as compare to revenue
- Debits/pay in are cleared with in T+2 day
- Regular payment through A/c payee cheque from the Bank A/c already mapped with us
- No short Delivery and Auction cases are reported in exchange
- No cheque bouncing cases in previous record
- No penny stock trading
- Limited intraday speculative trading
- Prompt payment of all dues including DP charges
- Reasonably good DP holding value with POA
- No margin shortfall penalty in derivatives/Currency segment



- **Category B (Medium Risk):**

Clients are those who are intraday or speculative clients. These are the clients who maintain running account with Gepl Capital Pvt Ltd.

- Payment through A/c payee cheque from the Bank A/c other than one already mapped with us
- Debits as compare to revenue
- Debits/payin are cleared but not beyond T+5 day
- Rare case of cheque bounce and the same would be cleared immediately
- Rare case of Short delivery and margin shortfall penalty.
- Rare case of penny stock trading.
- Reasonably good DP holding value with POA

- **Category C (High Risk) :**

Clients are those who have defaulted in past, have suspicious transaction/background; do not have any financial status etc.

- Frequent aging of debits beyond T+5 days
- Debits as compare to revenue
- Cheque bounce cases
- Payment through Banker's Cheque / DD / Cash
- Auction due to non delivery cases
- Always clear the debts by sell off the position on compulsion by RMS
- Clients trading on a regular basis in illiquid scrips in large volume.
- High speculative nature of trading -speculative clients whose turnover is not in line with the Financials
- Very less delivery transactions.
- Low value or nil value of DP holding
- Frequent trading in Penny stocks
- Beneficiary account with outside DP
- Frequent short delivery and auction
- Purchase made on own account & transfer to a third party through off market transaction in his DP account
- Profit Loss transfer
- Client scrip concentration in particular scrip's
- Client Margin reporting violation in F&O and currency

- **Special Category : (Very High Risk)**

- Non resident clients
- High net worth clients (i.e. the clients having net worth exceeding 20 Lakhs and doing the intraday trading volume of more than 2 Crore and daily delivery volume more than Rs 20 Lakhs)
- Trust, Charities, NGOs and organizations receiving donations
- Companies having close family shareholdings or beneficial ownership
- Politically exposed persons (PEP) of foreign origin



- Current I Former Head of State, Current or Former Senior High profile politicians and connected persons (immediate family, Close advisors and companies in which such individuals have interest or significant influence)
 - Clients in high risk countries (where existence I effectiveness of money laundering controls is suspect, where there is unusual banking secrecy, Countries active in narcotics production, Countries where corruption (as per Transparency International Corruption Perception Index) is highly prevalent, Countries against which government sanctions are applied, Countries reputed to be any of the following - Havens I sponsors of International terrorism, offshore financial centers, tax havens, countries where fraud is highly prevalent.
 - Non face to face clients
 - Clients with dubious reputation as per public information available etc.
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- Daily basis , risk report will be generated and if the client is in the 'High Risk' category or in the 'Liquidate', new limit will not be available for these clients without clearing the existing debit
 - Give more caution and careful while monitoring the transactions of B & C category.
 - Apart from this we need to exercise extra caution while monitoring the transactions of NRI I NREI / PIO And foreign clients, especially when we payment is being made in foreign currency.
 - Any change in the risk profile of the client I mandate holder, has to be ascertained by the concerned Branch officials and reported to the Head Office immediately.
 - Give limits to the client on the basis of the risk.
 - Review these categories by every quarter & make necessary changes in RMS & in Admin.

Client

Database: Trading Name: SUDHIR MULJI DISCRETIONARY TRUST Default Demat Acc: []

Client Id: 15950 PAN: AAGT50858Q Intermediary: []

General | Details | Demat A/c | Income | Risk | Key Persons | Identifications | Bank A/c | Segments | Pms Fees | Pms Bank/Demat | BSE MF Details | Brokerage | RM

Mobile: 9820125574 DOB: [] Occupation/Business Details

Email: pankajr.pandey@gmail.com Constitution Type: Other [] Occupation: []

Aadhar: [] PEP: [] Employer Name: []

IsdCode1: [] StdCode1: [] Phone 1: 23681322 Special Category: Trust, Charity, NGO [] Employer Address: []

IsdCode2: [] StdCode2: [] Phone 2: [] Family Code: [] Nature of Business: []

IsdCode3: [] StdCode3: [] Phone 3: [] Father Name: [] Telephone Numbers: []

Gender: [] Indian [] NRI [] Custom Risk: [] Password: *****

Contract Note Print Type: [] Nationality: [] Status: Client [] Profile: []

Marital Status: [] Place of Incorporation: []

Account Opening Date: [] Account Closing Date: []

Correspondence Address Same as Correspondence Permanent Address

Address Line 1: ANAND BHAVAN, Address Line 1: ANAND BHAVAN, Total strength of the Client will be calculated as

Address Line 2: 2ND BABULNATH X LANE, Address Line 2: 2ND BABULNATH X LANE, Income Multiplier * Income + Network Multiplier * Net

Address Line 3: CHOWPATI Address Line 3: CHOWPATI Income Multiplier: 1.50

City: MUMBAI City: MUMBAI Network Multiplier: 2.00

State: 19 State: 19 [] Enabled [] Enable AML

Country: 85 Country: 85 [] Retail [] Enable Synchronized Trading Report

Pin: 400007 Pin: 400007

Submit Reset

Reports

Client Risk details

Report Criteria

Database: Trading [] Name: [] From date between: 01/09/2012 [] and [] To date between: 31/07/2013 [] and [] Submit

(0) Layout [] Save [] Print [] Delete [] Defaults [] Add Field [] Pivot []

Displaying 21 records

Name	Client Id	Pan	Risk Category	From Date	To Date	Constitution Type
1 PATEL NARANDESH AMEALAL	N61862	AKUPP9399R	High	04/09/2013		Individual/Proprietorship firms
2 SHAH JAGDESH VADILAL	BD1168	AOSPS3958P	High	04/09/2013		Individual/Proprietorship firms
3 GLATI SONIA	1SE23	ACMPN3294R	Medium	04/09/2013		Individual/Proprietorship firms
4 GRISH GLATI HUF	1G351	AAPHG1700A	High	04/09/2013		Hindu Undivided Family
5 A K SARAVANAN	CM1177	AVIP86305E	Very High	04/09/2013		Individual/Proprietorship firms
6 PATIL MADHUKAR	VLS6788	BHPPN6238E	Medium	04/09/2013		Individual/Proprietorship firms
7 PANKAJBHAI M. PATEL	1P191	AJFPP5602H	High	04/09/2013		Individual/Proprietorship firms
8 NIMISH PRAVIN TALSANBA	1NI30	ABBPT7685C	Medium	04/09/2013		Individual/Proprietorship firms
9 AMLDHA	CM4001	AHTPA8075B	Medium	18/09/2012		Individual/Proprietorship firms
10 ABIRAMI M	TNI244	AZKPA0913H	Low	18/09/2012		Individual/Proprietorship firms
11 PANDIT ABHISHEK BRILMOHAN	ND1046	CAAPP6839A	Low	10/09/2012		Individual/Proprietorship firms
12 SHAH HITEN P	1H251	AAIP59909E	Low	10/09/2012		Individual/Proprietorship firms
13 PANDYA ASHOKKUMAR RAMLAL	DK1086	AOZPP2360R	Low	08/09/2012		Individual/Proprietorship firms
14 KUMAR M K ANANDA	B01255	AAQPAS250L	Low	07/09/2012		Individual/Proprietorship firms
15 KRISHNAJIVAN M SHAH	AD1362	BEXPS2455C	Low	07/09/2012		Individual/Proprietorship firms
16 MEHTA CHIRAG	BR1265	AJZPM8448C	Low	06/09/2012		Individual/Proprietorship firms

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