



Northeast Broking Services Limited

POLICY ON RISK CATEGORISATION

Each client will be marked into 3 categories, High Risk, Medium Risk and Low Risk from the point of view of the anti-money laundering laws.

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

- a. High Net worth Clients
- b. Trusts/NGOs/Charities receiving Donations
- c. Companies having close family Share Holdings

(The above are considered of High Risk as per SEBI guidelines)

The clients will be placed under low, medium and high-risk category based on their financial positions declared by them in KYC and their trade profile and based on past dealings.

Corporates / HNIs having respectable social and financial standing, who make payment on time and take delivery of shares, will be placed under Low Risk.

Intra-day clients or speculative clients whose turnover is in line with the Financials declared will be considered as Medium Risk clients.

Clients doing large activity in dormant account, trading on a regular basis in illiquid scrips in large volume and quantity, those who have defaulted in the past and have suspicious background will be considered as High risk clients.

Cheques given by a client for their dues to us gets bounced for more than 2 occasions in a month or 5 times within 6 months period will be notified and will be considered as high risk clients.

Clients who are giving DDs for their dues to us will be considered as high risk clients.

Client's Risk categorization will be assessed by Compliance Officer on a regular basis and will be recorded.

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