

Risk Profiling & Suitability Policy

Vardaan Capital

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1. Purpose

This policy outlines the process adopted by Vardaan Capital to assess the risk profile and suitability of clients before providing investment advice, in accordance with SEBI (Investment Advisers) Regulations, 2013 and relevant circulars.

The objective is to ensure that investment advice is appropriate to the client's financial situation, investment objectives, and risk tolerance.

2. Applicability

This policy applies to all clients receiving investment advisory or research-based recommendations from Vardaan Capital.

3. Client Risk Profiling

Risk profiling is conducted prior to providing any investment advice. The assessment is based on information provided by the client and includes, but is not limited to, the following parameters:

a) Financial Parameters

- Income level and income stability
- Net worth and asset allocation
- Existing liabilities and financial commitments
- Investment horizon

b) Investment Objectives

- Capital preservation
- Income generation
- Capital appreciation
- Wealth creation

c) Risk Tolerance

- Ability to absorb losses
- Willingness to take market risk
- Past investment experience
- Understanding of market volatility

d) Behavioural Factors

- Reaction to market fluctuations
 - Past responses to losses or gains
 - Investment discipline
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4. Risk Categories

Based on the assessment, clients are classified into one of the following risk categories:

- Conservative
- Moderately Conservative
- Moderate
- Moderately Aggressive
- Aggressive

The classification is determined using a structured risk assessment framework.

5. Suitability Assessment

Investment advice is provided only after mapping the client's risk profile with:

- Risk level of the recommended product or strategy
- Client's investment horizon
- Liquidity requirements
- Financial goals

Advice is restricted to products and strategies suitable to the client's assessed risk category. Higher-risk products are not recommended to clients with lower risk tolerance.

6. Review and Updation

Risk profiling is reviewed:

- Periodically, or
- In case of material changes in client's financial situation, objectives, or risk appetite

Clients are encouraged to inform Vardaan Capital of any significant changes that may affect suitability.

7. Client Responsibility

Clients are responsible for providing accurate and complete information. Any advice is based on the information provided, and incorrect or incomplete information may impact suitability.

8. Record Maintenance

Records of risk profiling and suitability assessment are maintained as per SEBI regulations and are available for inspection by regulatory authorities, if required.

9. Disclosure

Risk profiling and suitability assessment does not guarantee returns or protection against losses. Market investments are subject to market risks, and past performance does not indicate future results.

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