Procedures and policies followed by the Kalpataru Multiplier Ltd.

We are following the procedure for different areas of operations as under:

This procedure has been explained to all concerned, dealing officials and no deviations are permitted at their level if any deviations required they have to obtain approval from the director.

1. **Client Registration and documentation and updations**

   As and when the client approaches for account opening the due diligence of the client is carried out and details of the officer carrying IPV is noted in the KYC form.

   The required copies of documents like PAN Number, address proof and bank details DP details etc. are collected and verified with original. The originals are returned back to the respective clients. PAN number is verified from Income Tax web site.

   The action taken report data is checked before activating the client. The client is made to understand risk in dealing in capital market during in person verification.

   Then only the client is activated in UCC and concern client is informed about the Client ID.

   Any updations in address, bank details, DP details etc. the dealing officials collect the proof and verifies with originals and update in back office and this papers are kept with respective KYCs .

   All KYCs are stored client code wise /AP wise and easily accessible.

   We verify the financial details from his bank account and income proof is obtained if the client wants to trade in derivative segment.

   We have adopted the concept of maker and checker while dealing with KYC in order to avoid any mistakes.

   The copy of client registration form is given to the client and acknowledgement is obtained.

   We do not offer any promotional schemes to client.

   We do not outsource client registration work.

Further we also ensure the updating in net worth and income every year on 1st April and ask clients to update the same every year

2. **Sales Policies followed by the member**:

We do not have the sales personnel or relationship managers as such and we do not induce any client to trade nor do we give our views about market movements. We also do not provide any market tips. All trades exclusively occurred at the instances of the clients. Whenever we decide to consider for opening any new branches or accepting any new AP,detailed market survey is conducted and complete due diligence of AP is carried out.

3. **Closures of client account and dormant accounts**

We shall flag the client as inactive in UCC database of the Exchange in case the said clients have not traded in the last 24 months across all Exchanges.

We shall undertake fresh documentation, due diligence and IPV where a client is coming for reactivation after a period of 2 year of being flagged as inactive and after 2 years from their last trading date.

4. **Order receipt and execution:**

For online clients, the User ID & Password be issued to the client & the password issued to the clients must be kept confidential and no one should have access to such password. If the default password is used by the client, the client may be informed to immediately change the password.

The clients trading in trading room or through phone, the following procedure be followed:

The voice recording system be installed at trading room as well as all AP & Branches. The recording shall be retrievable.

For the orders placed on the browse, a register be maintained and signature of respective client be obtained.

On execution of all orders, a SMS be sent to the respective clients on their registered mobile number. Similarly, order modification & cancellation be recorded in the register.

All AP /Branch must be advised not to use mobile phone for order placement, modification & cancellation.

The Marketing Manager/Compliance Officer will impart training to APs regarding all areas of operation such as risk management policy, surveillance policy, anti money laundering etc. from time to time & record thereof be kept.

5. Sending contract notes, daily margin statement to the clients

Contract Notes & Daily Margin Statement must be sent by email immediately before the end of the day and if there is any bounce mail, the email id should be corrected immediately & physical contract note be sent immediately. A log of bounce mail should be maintained.

A contract note/margin statement for a particular exchange will have all the segments included, that is if you trade on NSE EQ (equity), NSE F&O (equity derivatives), MCX,NCDEX (Commodities derivatives), all the segments will be included.

The Compliance Officer will ensure that proper format is used for Contract Note & Daily Margin Statement.

6. Collection of pay in , margin , limits setting for exposures & turnover for clients, terminals, branches & sub broker level (Risk Management)

The director continuously monitor for ensuring each and every clients makes the PAY IN in-time. In case of delay from clients side in PAY IN appropriate action is taken by the director. The trading limits are reduced or zeroed in till such time the full PAY IN is received.

Normally, we face the issues of timely PAY IN from the clients when market is falling, in such event the director calls each and every client to either square up their position or make the PAY IN on next day morning. In the event of any doubt the positions are squared up if the market is continuously falling and most of the times our clients have buy positions.

We have written down policies for risk management and which is also exhibited to the clients.

We debit late payment charges in the case of late payment received against the debit balances to the clients.

We do not do any funding to clients.

Further Dividend account is reconciled on daily basis and zero balance is maintained in dividend payable account. The dividend is paid out to respective clients on the receipt of the same.

We do not allow any third party transfers in any client accounts nor do we accept cash or DD or bankers cheques.

7. Monitoring debit balances

The director continuously monitors debit balances and the follow up at client level as well as at branch/ AP level and every day the statement of outstanding is send to each dealing offices. The old debit balances over 15 days are watched and trading limits are closed. In the event net debit over 90 days are treated as bad and appropriate action is taken for recovery there of.

8. Liquidation of client position :

We sell client's securities or close client's positions, after informing verbally or through mobile message to the client on account of client's dues towards mark to market margin and due to reduction in value of collaterals or position already taken in other segments.
and free available clients falls short of five times.

9. Policies for Internal Shortages:

Clients are instructed not to sale securities purchased yesterday in the event of sale stocks purchased on previous trading day and received short from the exchange as it goes to auction and the client's account is debited on account of auction.

10. Transfer of trades :

We do not transfer any trades in back office. The transfer of trades on account of mistakes done by dealing operators are only transferred as per the system laid down by the exchange. However, such transfer of trades are very few and on account of mistakes done by operators. The operators are trained and warned for more than one such mistakes.

11. Investor’s redressed Mechanism

In case of complaint, please write to us on our email id **complaint@kalpatarumulti.com** or call us on **094250 08895**

If you do not get any response or the resolution is not up to the mark then you can write to the compliance officer.

If still the problem is not resolved, you can get in touch with corresponding exchange. Furthermore, the issue can be escalated to SEBI directly through SEBI SCORES portal. The link for the same is provided on our website.

All investor grievances shall be resolved within 30 days from the date of receipt of the complaint. If the complaints are pending for more than 30 days, the same shall be reported to exchange.

A register of investor complaints shall be maintained and preserved. Register of complaints / grievances contains name of client, UCC details, date, particulars of complaints, action taken by the member and if matter is referred to arbitration then the particulars thereof.

12. Allotment, surrender trading terminals.

We have CTCL as front-end. We have allotted client id and default password to all our branches and sub brokers based on appropriate NCFM certificates and the information is up loaded to the Exchange in required modules.

At head office we use NEAT and NEAT OP. the IDs have been created and required information have been uploaded to the exchange and supported by NCFM certificates

All CTCL IDs are uploaded to the exchange in ENIT and after successful up-ladation, branches are allowed to log in.
The limits are set based on the deposits given by the branch/ sub brokers.

We carry out surprised inspection of the branches and ensure that no unauthorized use of the trading terminal is done by the branches. We also maintain the branch inspection report.

The procedure for opening and closing of branches/ sub brokers is explained at Point No. 20.

We convey to the clients of the closed branch/ sub brokers by telephone.
In case client desirous to trade he is conveyed over telephone.
We have a check list which list downs the steps followed for opening and closing of the branch/ sub brokers.

In case of closing the business with sub broker the cancellation procedure like issuing public notice and surrendering the sub broker registration to SEBI the exchange.

13. Payments, receipts of fund and Securities from / to clients.

The payout is made and pays in received from the clients through a designated bank account declared by the clients. Any PAY IN cheques is received from any other accounts is rejected and if the client is produces the proof of account , in such case the additional bank details is uploaded to the back office after verification of documents. We do not use clients stocks for any other purposes other than making pay in on his behalf. No third party transfers of securities are permitted

14. Receipts, deliveries of securities from/ to clients

The payout is made and pay in received from the clients through a designated DP account declared by the clients. Any PAY IN is received from any other accounts is rejected and if the client is produces the proof of account , in such case the additional DP details is uploaded to the back office after verification of documents.

15. Power of Attorney

We do not have any Power of attorney in any trading accounts.

16. Capacity of systems with reference to volume

We have adequate and updated system installed at our Head office which addresses our trading as well as back office needs. However all the branches / sub brokers are allotted CTCL id, our system with reference to capacity is more than adequate.

17. Branch audit

We carry out branch/ sub brokers inspection every year and check all aspects as laid down by SEBI like sign board, display of notice board, SEBI certificate, contact person name and telephone number.

Further, we also verify that no cash dealing is done by the branch.

We further verify that the branch is not trading outside the trading system.

Further we also verify that branch do not obtain the signed blank DP Instructions from the clients.

We check from the clients that they receive statement of accounts, contract notes etc.

We also maintain the report of branch/ sub broker's inspection carryout by us.

We have appointed internal auditor as prescribed by the exchange with detailed scope as specified by the exchange. Any adverse remarks made by the internal auditors are placed before the board and corrective action are undertaken immediately.

No new branches are opened without survey conducted in that area. In case we decide to open the branch the sub broker registration is obtained first and then only terminal is activated in case of sub brokers branches and company does not wish to open new branches own in the present circumstances.

18. PMLA

We have a separate a written down policy which has been explained to all our dealing officials. The policy is regularly reviewed by the directors.

Due diligence is carried out for

a. Opening a client account
b. Entering in to a sub broker agreement
c. Appointing any personnel

We carry out in person verification of the clients and therefore there are no benami accounts.

We do not have any accounts as specified entities in guideline for anti money laundering by SEBI.

In due diligence of the clients we also ask the client to fill up the introducers column and signature of the introducer is obtained.

We are in the process of establishing automated alerts for dormant and suspicious transactions in the back office software.

We have appointed the principal officer and the Anti Money Laundering Policy has been forwarded to FIU.

We make aware our clients and branch in charge about Anti Money Laundering Policy and impart training to them from time to time.

Further, we also classify the clients into different categories like high risk clients, low risk clients and medium risk clients with specific reference to ANTI MONEY LAUNDING policy.

We have developed the reporting system for suspicious transactions.

19. Internet trading

We have obtained permission for internet trading and KYC agreement is obtained for clients wishing to do internet trading.

20. Opening & Closing of Branches.

We undertake the survey for a particular location and if business potential is good, than we open a new branch over there after also considering credential of Authorised person.

If we don’t get sufficient business from that particular branch to meet the expenses of branch than we decided to close the branch and for purpose we used to give prior notice of 30 days to all our clients associated with that branch.

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