



CROWN CONSULTANTS PVT. LTD.

...Delivering What We Promise

Website : crownsec.com

Corporate Office:

G-6/7, Amit Industrial Estate, Dr. S. S. Rao Road, Near Citi Tower, Parel, Mumbai - 400 012

T 91-22-4069 0701-710 Fax No. 022- 40690777 E info@crowsec.com

To
The Investors,

Dear Sir / Madam

Subject: Addendum to Stock Broker and Client Agreement

In an effort to bring further transparency and uniformly in dealings between trading clients and the stock brokers, SEBI vide circular MIRSD/SE/Cir-19/2009 dated December 3, 2009 has introduced new measures. Some of the measures are related to the mandatory Clauses of 'Stock Broker - Client Agreement', 'Client Registration Form' and 'Policies and Procedures' regarding.

We are enclosing an addendum, which will form part of your executed Client Registration Kit with Crown Consultants Pvt. Ltd.

For any clarification, please feel free to get in touch with our Compliance Department 022-40690701 / 9619496870

We will be requesting the clients to either send the above by post to us or submit the same at our office at the earliest.

Looking forward for your co-operation.

Yours Sincerely

For Crown Consultants Pvt. Ltd.

Pramod Chandaliya

Director

Place: Mumbai

Date:

Dear Client,

In reference to your dealings with us and pursuant to SEBI circular MIRSD/SE/Cir-19/2009 dated Dec 3, 2009 read with NSE circular NSE/INSP/2010/91 dated Feb 3, 2010 and, where SEBI / Exchange(s) has specified certain set of guidelines for transactions between the Client and the Stock Broker effecting the business dealings as well as Know Your Client procedures. In order to comply with the referred circular you are requested to confirm and authorize as follows:

I/We hereby confirm and undertake for the following and authorize you accordingly.

Authorization for Electronic Contract Notes and other Communication

I/We hereby authorize and confirm to send Contract Note, Bills, Margin Settlement, Ledgers, Transaction Statement (Statement of Funds/ Securities), report, Order/ Trade confirmation slip, Letter, Circulars, other documents & communication in electronic form at the email id _____.

Client's Signature : - _____

Details of any action taken by SEBI/ Stock Exchange/ Any other Authority for violation of laws/ other

Economic offences during the Last 3 years [] Yes [] No

Whether Convicted any time [] Yes [] No

Whether Declared Bankrupt any time [] Yes [] No

Note: if any one of the above id yes, kindly provide the details in a separate sheet.

Client's Signature : - _____

Authorization to activate Market segments/ stock Exchanges

Please tick [V] the appropriate box/s and cross the other ones with signature

NSE - CM _____
01 | Signature of the client

NSE - CD _____
03 | Signature of the client

NSE - F&O _____
02 | Signature of the client

Note: To be filled by client own handwriting only.

Authorization for Running Account

I/We hereby confirm and authorize you to maintain my/our account on Running basis in order to facilitate the transfer of funds across segments/ exchange (s) and retain the payout received/ credit balance in my/account for my/our account for my/our future obligation/ margin obligation or other Liabilities unless I/we instruct other wise. I/We understand and agree that no interest will be payable to me/us on the amounts or securities so retained with you, as per my running account. This authorization shall be valid only for the present financial year and is Liabe to be revoked at any point of time at my/ our own discretion. We/I shall bring any dispute arising from the statement of account or settlement so made to the notice of the broker preferably within 7 working days from the date of receipt of funds / securities or statement, as the case may be. The actual Settlement of funds/securities shall be done at Least once in Calendar Quarter/ Month.

Date : _____

Client's Signature : - _____

Disclosure of Financial Details for Trading Derivatives Segment

My/Our Income range per annum is as below:

- Less than Rs 1 Lacs Rs.1 – Rs.5 Lacs Rs.5 Lacs – Rs.10 Lacs
 Rs.10 Lacs = Rs.25 Lacs > Rs.25 Lacs

Client's Signature : - _____

(Please attach any one of the following documents duly self attested)

1. Copy of ITR (Income Tax return) Acknowledgement (For Last financial year).
2. Copy of Annual Accounts (for Last financial year).
3. Copy of Form 16 in case of salary income (for Last financial year).
4. Net worth certificate (Latest one or at the end of Last financial year).
5. Salary Slip (for one month in current financial year).
6. Bank account statement (for Last 6 months).
7. Copy of Demat account holding statement (not more than 3 months old).
8. Any other relevant documents substantiating ownership of assets.

Procedures

Refusal of Orders for Penny Stock:

Crown Consultants (P) Ltd. shall have absolute discretion to term a stock as "PENNY". As per our policy, "PENNY STOCK" can be referred to as the stocks which are appearing in the List of illiquid securities issued by the Exchange every month and any other stocks which **Crown Consultants (P) Ltd.** might consider to be illiquid.

Penny stocks are thinly traded shares of small companies which are traded infrequently and having very Low volume. It may be difficult to buy/sell penny stocks. **Crown Consultants (P) Ltd.** at its discretion can accept, refuse or partially accept any buy or sell order for execution from the client in respect of such script. **Crown Consultants (P) Ltd.** may allow restrictive acceptance of orders in such scripts and may demand appropriate declarations and additional margin from the client before accepting order of such stocks.

Crown Consultants (P) Ltd. may cancel orders in such scripts received by the clients before execution or partial executions or place any other kind of restrictions on the trade on such scripts without assigning any reasons thereof to the client. **Crown Consultants (P) Ltd.** shall not be responsible for any consequential opportunity Loss or financial Loss that a client may incur from delay or non execution of orders in penny stock.

Setting up Clients's Exposure Limits

In Futures & Option & Currency Derivatives Segment, exposure Limit of each client is set, based on Margin money given by the client after applying appropriate haircut and as per the Exchanges Regulations. Upfront margin is collected from client.

In Capital Market Segment, We do not compulsorily collect upfront margin from clients, however Exposure Limit which would be a multiple (ranging between 1 to 4 times) of the clear Ledger balance plus value of the shares given as collateral computed after applying appropriate haircut. The exposure Limit may be changed based on the volatility in the market and the quality of collateral.

Crown Consultants (P) Ltd. may set different exposure Limits varies for different clients depending upon the credit worthiness, integrity & past conduct of the client, the client agrees that **Crown Consultants (P) Ltd.** shall not be responsible for such variation, reduction or imposition or the client inability to route any order through **Crown Consultants (P) Ltd.** trading system on account of any such variation, reduction or imposition of Limits.

Applicable Brokerage Limit:

The Brokerage Rate applicable to the clients vary from client to client depending on the category of the client i.e. HNI, Institutional, Low, medium and high risk client. At the time of induction of a new client, the financial stability of the client is assessed/ measured and the expected volume is also determined and the brokerage is fixed with the mutual consent of the client. However the brokerage rate charged from the clients does not exceed the maximum brokerage specified by the Exchange. The brokerage slab of the client shall be reviewed at intervals after assessment of

per his commitment the rates may be increased with prospective effect at 15 days notice send to the email address or postal address of the client registered with **Crown Consultants (P) Ltd.** Apart from Brokerages, the other charges such as STT charges, stamp duty charges, transaction charges levied by the exchanges, trade clearing charges, SEBI transaction charges, service tax or any other exchange related charges or statutory levies are to be paid by the client separately.

Imposition of Penalty/Delayed Payment Charges by either party, specifying the rate and the period (This must not result in funding by the broker in contravention of the applicable laws)

As per regulation the client should pay his pay in obligation of funds on or before one day for the Exchange pay in day. We make the policy of charging penalty/delayed payment charges to discourage client in making late/Delayed payment.

As per our policy, Client may be liable to pay late pay in /delayed payment charges @ .07% on a daily basis for the overdue amount for not making payment of their pay in obligations on time. The client agrees that **Crown Consultants (P) Ltd** may impose fines/penalties for any orders/trades/deals/actions of the client which are contrary to his agreement /rules/regulations/bye Laws of the exchange or any other Law for the time being in force, at such rates and in such form as it may deem fit. Further where **Crown Consultants (P) Ltd.** has to pay fine or bear any punishment from any authority in connection with/as a consequence of/in relation to any of the orders/trades/deals/actions of the client, the same shall be borne by the client.

The right to sell client's securities or close client's positions, without giving notice to the client, on account of non- payment of client dues (This shall be limited to the extent of settlement/margin obligation)

Crown Consultants (P) Ltd. shall be entitled to Liquidate client's securities, both unpaid & paid securities as well as collaterals deposited towards margins or close out client's open position, without giving notice to the client for non-payment of margins or other amounts including the pay-in obligation, outstanding debts etc and adjust the proceeds of such Liquidation/close out, if any, against the clients Liabilities/obligations. Any and all Losses and financial charges on account of such Liquidations/closing out shall be charges to and borne by the client.

In case the payment of the margin/security is made by the client through a bank instrument, **Crown Consultants (P) Ltd.** shall have absolute discretion to give the benefits/credit for the same only on the Realization of clear proceeds in **Crown Consultants (P) Ltd.** bank account. Where the margin/security is made available by way of securities or any other property, **Crown Consultants (P) Ltd.** is empowered to decline its acceptance as margin/security and /or accept it at such reduced value as **Crown Consultants (P) Ltd.** may deem fit by applying haircuts or by valuing it by making it to market. In cases of securities lying in margin account/client beneficiary account and having corporate actions Like Bonus, Stock Split, Right issue etc. for margin or other purpose the benefit of shares due to received under Bonus, Stock split, Right issue etc will be given when the shares is actually received in the stock broker designated Demat account. The stock broker has the sole discretion to decide referred stipulated margin percentage depending upon the market conditions.

In event of death or insolvency of the client, **Crown Consultants (P) Ltd.** may close out all outstanding positions of the client, adjusting the Loss incurred on such closures with the margin deposited by the client and claim further shortfalls, if any, against the estate of the client. The successors or heirs of the client shall be entitled to any surpluses which may result there from.

The above action is at the sole discretion of **Crown Consultants (P) Ltd.** and may vary from client to client. It shall not be under any obligations to undertake the exercise compulsorily. **Crown Consultants (P) Ltd.** shall therefore not be under any obligation to compensate or provide reasons of any omission or delay on its part to sell client's securities or close open positions of the client.

Shortages in obligations arising out of internal netting of trades

If the seller of the security in the internal netting of trades has failed to deliver the security in the scheduled settlement number in the designated settlement account of the member, the seller has to deliver the security in the designated auction settlement for the scheduled settlement. However if the seller is unable to deliver the security as mentioned above,

The securities delivered short are purchased from the market and the purchase consideration (Including all statutory taxes & Levies) along with a penalty is debited to the short delivering seller client. In case the shares are not available for purchase for any reason then the shortage will be closed out at the highest closing price from trading day + 1 day(i.e. next trading day to actual trading) to trading + 3 (i.e. Auction date) will be considered.

Conditions under which client may not be allowed to take further position or the broker may close the existing position of a client.

- a) Client unable to meet his pay-in-obligation as per exchange requirement irrespective of the value of collateral's available.
- b) Long pending debit balance in the client's account.
- c) Dishonor of Cheques.
- d) Client dealing in "illiquid" stock as declared by **Crown Consultants (P) Ltd.**
- e) Transaction which may appear to be suspicious in nature.
- f) Where based on the happening of an event, **Crown Consultants (P) Ltd.** has a risk perception that further trading in the contracts/securities may not be in the interest of the clients and/or the market.
- g) Failing to provide sufficient margin as demanded by the member within the specified time.
- h) The dealer of the member is unable to ascertain the identity of the client.
- i) Taking further position would violate any circular, rules, regulations or by-Laws of stock exchanges or SEBI either on account of Client-wise or broker wise Limits.
- j) Existing position violates any circular, rules, regulations or bye-Laws of stock exchanges or SEBI either on account of client wise or broker wise Limits.
- k) In case sudden changes in margin requirement of Exchanges.

Temporarily suspending or closing a client's account at the client request:

The account of the client shall be suspended / closed on receipt of written request from the client specifying the reasons to close the account or the member gets any information about the death or insolvency or the member has not found the client on the registered address or member has reasons to believe that continuing the client account is not in the bonafide interest of the member or exchanges or nation. If the reason given by the clients are justified then the

account of that client is suspended after effecting the settlement of the account. For accounts suspended on client's request, the same can be reactivated only after receiving a written request from the client.

Deregistering a client

Notwithstanding anything to the contrary stated in the agreement, the stock broker shall be entitled to terminate the agreement with immediate effect in any of the following circumstances:

- a) If the action of the client are prima facie illegal/improper or such as to manipulate the price of any securities or disturb the normal/proper functioning of the securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.
- b) If there is any commencement of a Legal process against the client under any Law in force.
- c) On the death/Lunacy or other disability of the client.
- d) If the client being a partnership firm, has any steps taken by the client and/or its partners for dissolution of the partnership.
- e) If the client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with stock broker.
- f) If there is reasonable apprehension that the client is unable to pay its debts or the client has admitted its inability to pay its debt as they become payable:
- g) if the client is in breach of any term, condition or convenient of this agreement:
- h) If the client ha made any material misrepresentation of facts, including (without Limitation) in relation to the security.
- i) If a receiver, administrator or Liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the client.
- j) If the client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency Law or being a company, goes into Liquidation or has a receiver appointed in respect of its assets or refers itself to the board for industrial and financial reconstruction or under any other Law providing protection as a relief undertaking.
- k) If any convenient or warranty of the client is incorrect or untrue in any material respect.

I /We have fully understood the above mentioned Policies and procedures adopted by the broker and sing hereunder as token of our acceptance for the same

Client acceptance of policies and procedures stated herein above

I /We have fully understood the same and do hereby sign the same and agree not to call into question the validity, enforceability and applicability of any provision/clauses in this document under any circumstances whatsoever. These policies and procedures may be amended /changed by giving 15 days notice by the broker, provided the change is informed to me/us through any one or more means/methods. I/we agree never to challenge the same on any grounds including delayed receipt/non-receipt or any other reason whatsoever. These Policies and Procedures shall always be read along with the agreement and shall be compulsorily referred to while deciding any dispute/difference or claim between me/us and **Crown Consultants (P) Ltd.** before any court of Law/judicial/adjudicating authority including arbitrator/mediator, etc

Client's Signature : - _____

Yours Faithfully,

(Name of the Client)

Client's Signature : - _____

Email ID

Mobile No.

Trading

Code

Date: ___/___/_____(DD/MM/YYYY)