A decorative graphic consisting of three overlapping blue circles of varying sizes, arranged in a diagonal line from the top right towards the bottom left. Two thin blue lines intersect at the top left corner, forming a large 'V' shape that frames the central text.

INVEST AS SUB BROKER FEEL
BROKER

Business Proposal

SKUNG GROUP

This Proposal is a brief write up of our Areas of expertise, Working model, Revenue sharing model, Trading platform, Marketing support, compliances etc.

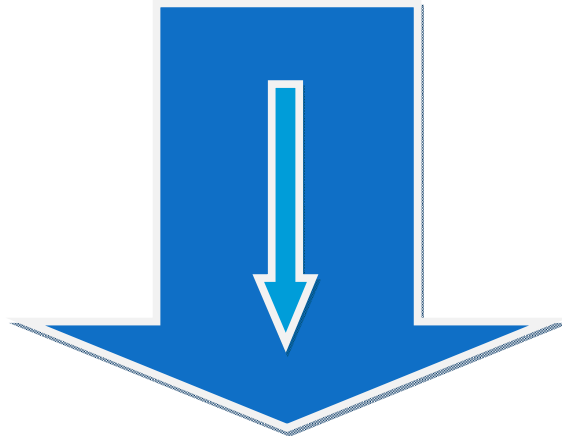
INVEST AS SUB BROKER FEEL LIKE BROKER



Dear Sir/Madam,

We take this opportunity to introduce our group to you. Our group is managed by professionals with a personal touch. We are providing services for all market segments with a wide range of products encompassing Primary Market operations & Secondary Market operations on various exchanges. We are members of [BSE](#), [MCX-SX](#) & [NSE \(Cash + F&O\)](#) in the Equity Segment, [NCDEX](#) & [MCX](#) in the Commodity Segment, [NSE-CD](#), [USE](#) & [MCX-SX](#) in the Currency Derivative Segment. We are also depository participant with [CDSL](#) in Securities and Commodities.

The company is promoted by the Somani Group whose business interests span from Steel, Real Estate & Non-Banking Finance Companies to [SKUNG](#) the Financial Services Arm of the Group.





Areas of Expertise

Equity, Commodity & Currency Broking:

Our Trading Platform offers convenient and smooth trading experience to our clients. The platform provided by us equips our clients to trade in all the segments of all the exchanges i.e. Equity, Commodity, Spot Commodity and Currency, simultaneously on one single screen.

Research Services:

Our Research caters to the need of those who are in need of opportunities to enhance their returns. We have a comprehensive in-house Research wing with market experts, process and technology resources providing complete research solutions on equity, currency & commodity. We also provide strategies for investments, hedging, day trading & short term trading.

Depository Services:

We are a depository participant with CDSL and offer depository services for both securities and commodities.

Other Areas

We also have domains like Portfolio Management services & Loan against shares. We have concrete plans to increase our size of operations in India and abroad focusing primarily on NRI investors and institutions. The company has plans to acquire memberships of some other exchanges across the globe in future.

The modus operandi of our expansion operated by sub-broker:

Riding on our expertise and sophisticated technology, the Sub-Broking entity can run its business conveniently, smoothly and efficiently. The essence of the model is to give the Sub-broking entity an experience as a Broking entity even though one invests as a Sub-Broker and is registered as a Sub-Broker / Authorized person. The attached presentation and this proposal enumerates how the gap between a Broker and Sub-broker shall be bridged.



Salient Features

1. Revenue sharing:

The revenue is shared with the sub-broker under a fixed slab as per the company's revenue sharing policy. The revenue sharing policy of the company has been made after careful consideration and after detailed market survey of the Brokerage rates. The rates offered are non-negotiable.

The amount payable as the Sub – Broking entities share is paid to the Sub-Broker as “Commission” and is paid within the first week of every month.

Revenue Sharing Model :

- **On the basis Memorandum of Understanding that will be signed between SKUNG and the Sub-broker / Authorized Person which will be in accordance to the Annexure of the Revenue sharing proposal.**

2. Margin money & exposure limits:

Initial Margin deposit is required in the form of Cheque / Permitted Securities after deducting haircut as **per Exchange (Ratio between Cheque & Security will be 50:50 always)**. Margin over and above the Initial Margin would be collected as per the requirements of the Exchanges. SKUNG reserves the right to either accept or reject securities against margin depending upon the norms applicable by the regulators.i.e SEBI or Exchanges.

The Limits will be given as per the margin applicable on the contracts as per the requirements of the Exchanges.

3. Security deposit:

The Sub-broker / Authorized Person would be required to pay the following security amount:-

Particulars	Amount in Rs
Equity (Cash + Derivative)	25000
Commodity (Spot + Derivative)	25000
Currency	NIL
Depository , MF , IPO , Bonds etc.	NIL



4. Statutory and Exchange levies

The statutory and exchange levies are charged on actual basis. An annexure containing the breakup of all these levies has been attached for your reference and for calculation of total cost incurred on a trade at different rates of brokerages.

5. Working Procedure:

- All the trading clients will be registered separately under client registration agreement with SKUNG. Sub-Broking entity would ensure that all clients complete the registration form (KYC) and send it to the Head office of SKUNG.
- All pay-ins whether cheques or deliveries would be in favour of SKUNG and all pay-outs would be made by SKUNG.
- No payments would be made or accepted to/ by the Sub-Broking entity directly or indirectly on behalf of the clients.
- The client shall deposit an upfront margin amount with SKUNG (Subject to requirements of Regulatory Authorities, Exchanges or Market Conditions) and the gross exposure would be provided by SKUNG to the client accordingly.
- All securities sold by the client, should be delivered directly from the demat account mentioned in the Client Registration Form (KYC) to the **MEMBER'S DP account**. Similarly, shares purchased will be delivered to the **client's DP Account** in the demat account mentioned in the Client Registration Form (KYC) subject to terms & conditions.
- Sub-Broking entity shall be responsible to collect the pay-in and margin obligations levied by the exchanges from time to time and remit it to SKUNG.
- Sub-Broker to comply with all the exchanges (SEBI / FMC) rules, bye laws, Regulations at all times.
- SEBI certificates of SKUNG and the Sub-Broker must be displayed in the office.
- Notice Board, as per the format of the Exchanges, must be displayed in the office.



6. Authorized Person (AP) & Sub-Broker registration:

- Registration of Sub-Broker entity is a must for which necessary assistance will be provided by SKUNG.
- Person operating the Trading terminal should be NCFM/BCSM qualified for cash and F&O segment.
- It is CDSL/ SEBI's mandatory requirement that every Sub-broker should have at least one person trained by CDSL who should verify the identity and documents of the individual in person & the person should qualify the BCCD examination.
- The charges for registration are as under :-

Exchange	Registration Fee **	Remarks
Commodity	Rs1,000.00	Authorize Person
Equity + Currency	Rs 2,000.00	Authorize Person
Equity + Currency	Rs 10,000.00*	SUB BROKER

* For the block of five financial years & after the expiry of the said block of five financial years, a sum of Rs 5,000.00 for every subsequent block of five financial years is payable .The fees indicated above shall be paid on or before the 1st day of Oct each year by demand draft in favor of the Securities and Exchange Board of India at Bombay or at the respective regional office as applicable.

** Service tax amount will be charged extra as applicable.

7. Marketing support:

- SKUNG believes in growing together. The leads generated by advertisement and publicity campaigns through various mediums shall be passed on to the Sub-Broker of the particular area as applicable on terms and conditions as agreed and discussed.
- SKUNG has arrangements for providing assistance in designing of any promotional material through its authorised advertising agency.
- Investor awareness Seminar: SKUNG has a team of highly qualified professionals, specially deployed for the purpose of conducting seminars.
- One Relationship manager is provided to each Sub-Broker for the convenience of getting all Solutions.



8. Glow sign boards:

The flex of the Glow Sign Boards shall be provided by SKUNG. Installation would be done by the Sub-broking entity compulsorily at its own cost and the proof of the same would have to be submitted to SKUNG.

9. Back office support:

SKUNG will provide entire back office support system to the Sub-Broker.

10. Automated payin:

SKUNG provides system of automated pay in of demat shares which relieves clients effort of depositing the delivery instruction in physical form to the Depository Participant (DP). For availing this facility clients are required to have demat account with SKUNG.

11. Trading platform:

ODIN platform shall be provided to the Sub-Broker by SKUNG .The special features being offered in the trading platform are as under:-

- 1) Pivot levels of all equities, commodities and currencies on “.exe” based software enabling the judgement of market momentum.
- 2) Provision to place advance market orders (AMO) before market opening.
- 3) Opportunity to trade simultaneously both online and offline

The company charges a nominal amount of Rs 500/month/segment* for the software provided to the Sub-broker / Authorized Person for the multi-code Id and Rs 150/month/segment to the client.

*Equity and Currency will be treated as one segment and Commodity treated as a separate segment.

12. Research:

Sub-Broking entity would be provided access to Technical & Fundamental Research through

- Regular Intraday calls via SMS & Chat
- Emails
- Monthly News Magazines
- Pivot levels on .exe based software.



16. Helpdesk:

Trading and Customer Support from all our departments through our **ALL INDIA TOLL FREE NUMBER** is provided through our **Help Desk** so as to ensure cost-effective & efficient service & solutions to Clients dealing through Skung.

17. Risk Management Systems:

SKUNG provides a specialized software & reporting system which enables the Sub-Broking entity in risk management of clients and also helps in monitoring financial positions of Clients

18. Stationery:

Stationery would be prepared by the Sub-Broking entity at its own cost but as per the designs and guidelines of SKUNG.

19. Audit:

Routine audit of the working of Sub-Broker at specified or surprise dates shall be conducted by the officials of SKUNG or Third parties appointed by SKUNG.

20. Connectivity:

S.NO	MODE OF CONNECTIVITY	COST
A	TRADING THROUGH RADIO FREQUENCY	Would vary as per location
B	TRADING THROUGH INTERNET	PAID BY SUB BROKER

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