**Ref: 05-06/ISS/36138/GC**
June 16, 2006

**All Registered Intermediaries of ISS**
**Administrators/ Executive Director of Participating Exchanges, Co-ordination**
**Officers at Participating Exchanges/Regional Administrative Offices**

Dear Sir / Madam,

**Sub: Launch of ISS's Internet Trading Facility "netprofit.in" for Clients**

This is in continuation to our earlier circular ref. no. 05-06/ISS/32208/GC dated February 28, 2006 on internet trading facility for clients. We are happy to inform that time runs performed with this software have been successful and we are now ready with the internet trading product called "**netprofit.in"** for the NSE CM and BSE segments. At a later stage, the NSE F&O module would be offered through the same software.

The procedures in this regard are explained below.

**1. Codes for clients:**

(i) The Sub-brokers will be required to allot an 8-digit client code for registering the internet client as per the structure given below:

 X  X  X  X          +        Y Y Y Y
ISS Sub-broker Code          Client Code

In case a Client is already registered for trading through the ODIN CTCL system, the same code can be used for the internet client.

Even though clients will be trading directly through the internet, they will still be required to come through the respective sub-brokers of ISS and, therefore, would be required to execute the prescribed tripartite agreement (Internet Trading Agreement).

While logging into ISS's **netprofit.in**, the Client will be required to enter the 8-digit code mentioned above.

**2. Pre-requisites for a Client to trade through netprofit.in**

(i) A Client who is already registered with ISS for trading through ODIN CTCL facility will be required to sign the Internet Trading Agreement (tripartite). Clients may indent for the same through their sub-brokers.

(ii) A Client who has not yet been registered with ISS will be required to send the new CRD form, which also includes the Internet Trading Agreement. The charges for the Internet Trading Agreement will be Rs.200/- (stamp charges), which will be collected from the Clients.

(iii) The Client will be required to open a demat account with ISE DP and also execute and forward a Power of Attorney (PoA) in favour of ISS as per

format given at Annexure A for debiting his demat beneficiary account to meet the obligations towards the securities pay-in.

(iv) The client will have to provide his e-mail address, so that ISS can send the digitally signed contract notes to him.

**3. Placing of Buy/Sell Orders:**

(i) Everyday, ISS shall be uploading the cleared ledger balances, which will be treated as Available Funds for trading by the Client. When the Client places a buy order, the purchase value will be compared online with the Available Funds. If the Available Funds are sufficient to meet the buy order, only then will this order will be forwarded to the Exchange (NSE or BSE, as the case may be). The purchase value will be deducted from the Available Funds and the net balance will be available for further orders. In case any order is withdrawn / modified, there would be appropriate adjustments in the Available Funds.

(ii) Similarly, ISS shall be uploading the holdings of securities from ISE DP. When the Client puts a sale order for any security, the sale quantity will be compared with the holding for that security and only if there is sufficient holding will the sell order be forwarded to the concerned Exchange. The said security will also be blocked for the specific sale quantity. In case this order is withdrawn / modified, the holding position would be suitably modified.

(iii) Clients trading through **netprofit.in** cannot buy/sell physical securities.

**4. Contract Notes / Bills**

(i) At the end of each trading day, ISS shall upload the trades done through **netprofit.in** as well as through the ODIN CTCL system into the I-BOS back office application. All reports, such as contact notes / bills, etc. would be available through I-BOS.

**5. Pay-in/Pay-out of Funds and Securities**

(i) The cheques/demand drafts of the clients who are trading through **netprofit.in** should be deposited in the same ISS branch bank account that is being used at present by the sub-brokers. Further, all the activities such as, entry of payment details, etc. will be required to be carried out by the respective sub-brokers.

(ii) When the Client desires pay-out of funds or securities, the sub-broker will have to enter the funds/securities pay-out request through I-BOS. ISS shall be processing such requests and effecting the funds or securities delivery after due validation.

**Brokerage charges**

ISS shall be charging the following brokerage rates to the concerned sub-brokers which will be exclusive of NSE/BSE charges, stamp duty, service tax, STT and any other charges:

Capital market segment (NSE and BSE):

(i) Delivery business : Rs.35/- per Rs.1 lakh of traded value.

(ii)     Squaring up business (same day) : Rs.12.50 per Rs.1 lakh for each leg (purchase or sale)

The actual brokerage charged to the Client for the internet trades would be based on the brokerage slab indicated by the sub-broker.

Further, there would be a minimum brokerage payable by any Client trading through ISS's **netprofit.in,** which will be Rs.500/- per month.  For this purpose, an amount of Rs.500/- will be collected by ISS upfront and kept as a deposit with ISS at all times, until final exit from the system.

For a Client trading through both the internet and ODIN CTCL systems, ISS shall be charging the concerned sub-broker the brokerage rates applicable for internet trading.

An FAQ (Frequently Asked Questions) is enclosed for the information of all our sub-brokers.

We request all our sub-brokers to inform their Clients about the launch of ISS's **netprofit.in**, the internet trading facility of ISS.  We look forward to support and co-operation of the sub-brokers in popularizing this mode of trading by Clients.

You may contact the undersigned at gchavan@iseindia.com or Shri. Dasharath Kumbhar at dashrathk@iseindia.com in case you need additional information.

Thanking you,

Yours faithfully,
For **ISE SECURITIES & SERVICES LTD.,**



**GOVIND S. CHAVAN**
**Head, Market Operations**

Encl: as above

## FAQS ON ISS'S NETPROFIT.IN

**Q. How can the Client register for ISS's netprofit.in?**

A. i)  Client has to submit the internet trading agreement (tripartite) to the CRD dept. through the sub-broker.
   ii)  Client should open a demat account in ISE DP.
   iii)  Client should give a POA for debiting his/her demat account in ISE DP.

**Q. What are the brokerage rates charged by ISS to the sub-brokers for internet trading by their Clients?**

A.  ISS shall be charging the following brokerage rates to the concerned sub-brokers which will be exclusive of NSE/BSE charges, stamp duty, service tax, STT and any other charges:

Capital market segment (NSE and BSE):

   (iii)  Delivery business : Rs.35/- per Rs.1 lakh of traded value.
   (iv)  Squaring up business (same day) : Rs.12.50 per Rs.1 lakh for each leg (purchase or sale)

**Q. What are the advantages of trading through ISS's netprofit.in.**

   i)  Low cost connectivity.
   ii)  Client can trade from any place.
   iii)  For securities available with ISE DP, sale can be done freely upto the limit of available securities.
   iv)  Buy Today, Sell Tomorrow (BTST) facility available.

**Q. How should the Client make the payment for internet trading?**

A.  The Client should issue a cheque favouring ISE Securities & Services Ltd. which the sub-broker has to deposit in the branch bank account. Details of payment have to be updated by the sub-broker in the IBOS system.  Credit balance in the ledger of the client will be considered as available deposit for trading purposes.

**Q. What is the minimum brokerage payable by an internet Client?**

A.  Client will have to pay brokerage of Rs.500/- or the actual brokerage amount, whichever is higher.  Further, the Client is required to maintain a deposit of Rs.500/- with ISS always as security deposit, until he/she finally withdraws from ISS.

**Q. How is ISS brokerage levied on the sub-broker for a Client who trades in ISS's netprofit.in and ODIN CTCL?**

A.  In the case of a Client trading through ISS's **netprofit.in** and ODIN system, the concerned sub-broker will be charged at the rates applicable for internet trades.

**Q. Can the sub-broker transfer the deposit maintained with ISS for ODIN CTCL trading for an Internet Client?**

A.  No.  The sub-broker will have to withdraw the relevant amount from the ODIN CTCL deposit and then transfer the same to the account of the respective Client.

**Q. If the sub-broker carries out trading through ISS's netprofit.in and the CTCL system for the same client, will he get the trade details in same contract note?**

A.  Yes

███████████████████████

# TO ALL TO WHOM THESE PRESENTS SHALL COME

I,_____,an individual, currently residing / having my office at_____
_____ **OR**
We,_____,a partnership firm duly registered under the provisions of the Indian Partnership Act, 1932 and having its place of business at_____
_____
_____

**OR**

We, _____,a company incorporated under the companies Act, 1956 and having its registered office at_____ registered as a Client (hereinafter to as "the Client"), which expression shall include unless it be repugnant to the subject or context thereof, our successors, assigns, executors, administrators, legal representatives, partners and the directors, for the time being of the said concern of company with **ISE Securities and Services Ltd.**, having its registered Office at International Infotech Park, Tower 7, 5th Floor, Sector 30, Vashi, Navi Mumbai – 400703. (hereinafter referred to as "ISS", which expression shall include unless it be repugnant to the subject or context thereof, its successors, assigns, executors and administrators, for the time being of the said company), do hereby solemnly and sincerely affirm on oath, agree and abide as follows:

I / We hold a beneficiary account no._____(BO-ID) with Central Depository Services (India) Limited and / or National Securities Depository Limited through Inter-connected Stock Exchange of India Ltd. (hereinafter referred to as "Depository Participant"), bearing DP-ID _____ and / or _____ respectively.

I / We am / are an investor engaged in buying and selling of securities through "ISS", a trading member of National Stock Exchange and Bombay Stock Exchange, bearing SEBI registration no: INB231077737 (NSE – Cash Segment), INF231077737 (NSE – Futures and Options Segment) and INB 0 11077733 (BSE – Equities Segment) respectively.

NOW KNOW WE ALL AND THESE PRESENTS WITNESSTH THAT I / WE THE ABOVE NAMED DO HEREBY NOMINATE, CONTITUTE AND APPOINT "ISS" as my / our true and lawful attorney (hereinafter referred to as the "Attorney") for me / us and on my / our behalf and in my / our name to instruct the aforesaid Depository Participant(s) to debit securities and / or to transfer securities from the aforesaid account for the purpose of delivering the same to the clearing house of the recognized stock exchange towards any segment in respect of securities sold by me / us through them.

This authority is restricted to the pay-in obligation arising out of the transactions of sale effected by me / us through "ISS" and I / we ratify the instructions given by ISS to the Depository Participant(s) named herein above in the manner specified herein.
I / we further agree:

(a) That this Power of Attorney shall be in force and effective as long as I / we continue to be a client of ISS and I / we hereby agree not to revoke this Power of Attorney so long as I / we do business with ISS.

(b) That I / we do hereby confirm that all the powers hereby conferred may be exercised by any officer of the said Attorney, who is authorized in this regard.

(c) That I / we agree to indemnify and keep indemnified and hold harmless, ISS and ISE DP from any and all reasonable costs, liabilities and expenses resulting directly or indirectly from all lawful actions and in accordance with proper issued where required.

(d) That our partners or the Board of Directors of our company, as applicable, have passed a resolution approving this Specific Power of Attorney and have authorized us to sign and execute this Specific Power of Attorney, a copy of which resolution duly attested is enclosed herewith. (This shall be applicable to clients who are partnership firms / corporates)

(e) That I / we finally agree that the decision of ISS to debit my / our aforesaid beneficiary account as stated herein shall be final and binding on me / us.

SIGNED AND DELIVERED on this _____day of _____ 200 __ by the within-named client.

Signature of the Client_____
IN THE PRESENCE OF WITNESSES
Witness 1:                                                                                  Witness 2:
Name:_____
      Name:_____
Address:_____
      Address:_____
_____
      _____
_____
      _____
Siganture:_____
      Signature:_____

Place:
Date:
I / We accepted (Attorney)
Name: For **ISE Securities and Services Ltd.**
Address:

Authorised Signatory:_____