

Ref: 06-07/ ISS/37092/GC

June 20, 2006

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All Sub-brokers of ISS

Administrators/ Executive Director of Participating Exchanges, Co-ordination Officers at Participating Exchanges/Regional Administrative Offices

Dear Sir / Madam,

Sub: Launch of Sub-broker Trading Facility through internet (ISS's "netbranch")

As you are aware, ISS is continuously taking steps to improve its services to its sub-brokers and their clients at the most competitive rates in the industry.

ISS is now launching "**netbranch**" internet - based trading facility for sub-brokers. The functioning of "**netbranch**" would be similar to the "ODIN CTCL" system, which is presently being offered to sub-brokers, except that the connectivity for **netbranch** will be through internet. The "**netbranch**" facility can be used for trading on NSE (Equities and Futures & Options segments) and the BSE (Equities segment) for clients.

The procedures in this regard are explained below:

1. Codes for clients:

- (i) The sub-brokers will use the 8-digit client codes for their clients (same as for ODIN CTCL).

<u>X X X X</u>	+	<u>X X X X</u>
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 ISS's "**Netbranch**" facility.

While logging into ISS's "**Netbranch**", the sub-broker will be required to enter the first four digits which will be his sub-broker code.

2. Placing of Orders:

A sub-broker is required to earmark trading margins separately for "**netbranch**". Everyday, ISS shall be uploading the earmarked margins which will be treated as Available Funds for trading by the sub-broker. When the sub-broker places a buy order either for a client or for himself, 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 In case any order is withdrawn / modified, there would be appropriate adjustments in the Available Funds.

3. Contract Notes / Bills

At the end of each trading day, ISS shall upload the trades done through **netbranch** into the I-BOS back office application along with ODIN CTCL trades and **netprofit** trades. All reports, such as contract notes / bills, etc. would be available through I-BOS.

4. Pay-in/Pay-out of Funds and Securities

There will be no change in the pay-in and pay-out of funds and securities from what is followed at present.

Annual Fees for ISS's netbranch

There will be an annual charge of Rs.2500/- (Rupees Two Thousand Five Hundred only) per **netbranch**, copy which is payable at the time of registering for this facility. There will be no change in the brokerage charges for trading done through **netbranch**, as compared to what is being charged through the ODIN CTCL facility. It is also informed that for **netbranch** facility, there would be no connectivity charges payable to ISS; the sub-broker would have to pay only internet access charges to his Internet Service Provider (ISP).

We request all our sub-brokers to use ISS's **netbranch** facility to expand their branch network to serve their clients better. We look forward your support and co-operation in popularizing ISS's **netbranch**.

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

Yours faithfully,

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

GOVIND S. CHAVAN
Head, Market Operations