

Ref: 07-08/ISS/2361/DS

October 19, 2007

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All Registered Intermediaries of ISS

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

Dear Sir / Madam,

Sub: Circular on sub-brokers Four Digit Debit in Ledger to be adjusted from their trading deposit

With a view to improving the risk management, ISS shall be implementing the following process:

Sub-Brokers having Debit balance in their four digit ledger:

1. ISS shall be debiting the ledger of those Sub-Brokers who are in debit for last one month .ISS would be providing the data of Sub-Broker's in debit on FTP in download folder in the file "Branch Debit as on 19102007" on a monthly basis.

2. With the data provided in the FTP of Oct 19, 2007, ISS shall debit on Oct 26, 2007. All Sub-Broker's who have deposited money till Oct 25, 2007 will be considered, provided the amount is cleared as on Oct 25, 2007 However, any uncleared amount as on Oct 25, 2007 will not be taken into consideration and the deficit will be debited to sub-broker trading deposit.

3. Any payment made subsequently by the Sub-Broker's should be intimated to the respective RM's and accordingly the amount will be credited in sub-broker's account i.e. 4 digit code maintained for the purpose of AP Commission.

ISS shall pass the following entries in the ledgers:

Sub-Broker's debit adjusted with sub-broker trading deposits:

Margin J.V.

Sub-broker's trading deposit A/c - Dr

To Sub-brokers settlement A/c, i.e. 4 digit code

Please Note: Funds will be collected from Sub-broker's settlement A/c and transfer to ISS Bank A/c.

Yours faithfully,

For ISE SECURITIES AND SERVICES LIMITED

Digant Shah

Head – Finance & Accounts