

Ref: 15-16/ISS/53159/KS

March 29, 2015

To:

All Registered Intermediaries of ISS

Dear Sir,

Sub.: Payout logic in SPARC-IM & Debit up-to Rs1000/- for payout of securities.

All Registered Intermediaries (RIs) are requested to take note of the Settlement Process And Risk Control - Indian Market (SPARC-IM), the payout logic will be as mentioned below:

A. PAYOUT LOGICS:

- 1) Cash Ledger: NSE and BSE Cash Segments ledger (effective date).
- 2) Unaccounted Purchase: Purchase value of securities on T Day.
- 3) Unaccounted Purchase: Purchase value of securities on T -1 Day
- 4) Debit Penalty: Interest charged to the clients for delayed pay-in of Funds.
- 5) DIS Charges: DP charges incurred at ISS and ISE (For collection and payment on behalf of ISE DP)
- 6) Short Amount: Provisional amount on T+2 selling obligation.
- 7) MTM Loss on T Day. (Cash Segment)
- 8) MTM Loss on T-1 Day. (Cash Segment)
- 9) Derivative Ledger: Shortfall amount (50:50) Cash and Securities

Now, based on the above parameters, the system will release the shares, with markup of 20%. i.e. if the ledger is in Rs.1,00,000/- debit, then securities worth Rs.1,20,000/- will be withheld in Beneficiary account of ISS. Rest will be released to clients account.

B. Incase where debit is only upto Rs.1000/- Where-ever the ledger balance, based on the above logic is Rs.1000/- or less, the system will release securities to clients' Account. If the client fails to clear debit of Rs.1000 or less within 3 days, then the amount will be recovered from the sub-brokers account.

Members who have objection to recover the above said Rs.1000/- or less from their Account may revert within 2 days otherwise, it will be presumed that the above conditions are acceptable which will be implemented to all (RIs) in the new system shortly.

In case you require any further clarifications, you may contact the undersigned on 67941115 or your Relationship Managers (RMs)

Thanking you,

Yours faithfully
For ISE SECURITIES AND SERVICES LTD.

M. N. Kevin Sunder
Senior Manager, CNS Dept.

Encl: As Above.