



ISE Securities & Services Limited

Corporate Office : 6th Floor, 601, "Dakshna" Next to Raigad Bhavan, Sector - 11, CBD - Belapur, Navi Mumbai - 400 614, Tel : (022) 61829500, Fax : (022) 61829547, e-mail : helpdesk@iseindia.com
Internet URL : <http://www.iseindia.com>, **Investor grievance e-mail :** invgrieviss@iseindia.com
CIN : U67190MH2000PLC123707



Ref: Cir/Accounts/6023

Monday, May 22, 2017

Dear Sirs / Madam,

Sub: Enhanced Supervision of Stock Brokers/Depository Participants

Securities & Exchange Board of India, vide their Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 issued guidelines on enhanced supervision of Stock Brokers / Depository Participants. Copy of the circular is herewith attached.

Attention of sub-brokers / authorized persons is brought to Clauses 2.6, 3.3.1, and 8.1.2 of the said circular, which reads as under:

2.6 "Stock brokers shall not grant further exposure to the clients when debit balances arise out of client's failure to pay the required amount and such debit balances continue beyond the fifth trading day, as reckoned from date of pay-in."

3.3.1. Funds of credit balance clients used for settlement obligation of debit clients or for own purpose:

Principle:

The total available funds i.e. cash and cash equivalents with the stock broker and with the clearing corporation/clearing member (A + B) should always be equal to or greater than Clients' funds as per ledger balance (C)

8.1.2 "For the purpose of settlement of funds (i.e. quarterly settlement), the mode of transfer of funds shall be by way of electronic funds transfer viz., through National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc."

In terms of the above clauses, Sub-Brokers/Authorised Persons are advised to inform all their clients that, due to this SEBI Guidelines ISS have to make certain changes in our Policy to ensure and meet with the SEBI Compliance.

1. ISS may have to switch over from Branch Bank concept to Client level concept with regard to penalties levied on debit balances ... that is to say, ISS presently levying penalty on net of debit, which will be at client level. Hence, clients should be encouraged to maintain sufficient credit balance in their ledgers to avoid penalties.
2. To Clear the Debit balances failing which, further trading limits for buying will strictly not be allowed, beyond T+7 day for such clients. Securities that are in Ben account will compulsorily sold on T+7 day by ISS.

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BSE:INB011077733 (Equities Segment), NSE:INB 231077737 (Capital Market Segment), INF 231077737 (Equity Derivatives Segment), INE 231077737 (Currency Derivatives Segment), MCX-SX:INE 261077737 (Currency Derivatives Segment)

Registered Office : International Infotech Park, Tower No. 7, 5th Floor, Sector - 30, Vashi, Navi Mumbai - 400 703. Tel. : (022) 2781 2056

3. For the Quarterly settlement, request the Sub-brokers/Authorised Persons to inform those clients, whose Bank account details are not updated as per Core Banking guidelines (such as providing IFSC code, MICR number, core banking account number, etc.), to submit their Bank account details through KYC Details Modification Form along with relevant copies of Cheque leaf (or) latest Bank Statement duly self attested.

The effective date of implementation of item 1 above (Client level concept) will be informed to you shortly

In case of any suggestions/queries or clarifications, sub-brokers/APs may kindly get in touch Ms. Sanjeevani on 022-61829521 with regard to proposed change in Branch level concept to Client level and to contact Ms. Mayuri on 022-61829528 other related matters.

Thanking you,

Yours faithfully,

For ISE Securities & Services Ltd

Sivaraman.K.M.

Chief Executive Officer & Whole Time Director

Encl. As above