

Ref: 05-06/ISS/ 35059/GC

May 11, 2006

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

Dear Sir,

Sub: Receipt of securities from third party demat accounts

It is being noticed that some clients are not delivering securities towards fulfilling their sale obligations from their respective demat accounts and instead the securities are being delivered from the demat accounts of others, including in some cases, from their family member's account or the sub-broker's accounts. Thereafter requests are addressed to officials of ISS to adjust such deliveries.

It is reiterated that such deliveries are in gross violation of the SEBI and the Exchange rules and regulations, which stipulate that the deliveries should be tendered only from the account of the respective clients on whose account the securities have been sold.

It is stressed that ISS does not wish to deviate from the prescribed rules and regulations. Registered Intermediaries are requested to desist from this practice with immediate effect. ISS will not be entertaining such requests from Intermediaries and all positions where the securities are received from demat accounts other than that of the client (as registered in I-BOS) will be marked for auction / close-out.

We request you to co-operate with us in the matter.

Yours faithfully

For **ISE Securities & Services Limited**

Govind S. Chavan
Head - Operations