

Ref.: 11-12/ISS/244 /KS  
May 26, 2011

- ☐ Hand Delivery
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**All Registered Intermediaries of ISS**

Dear Sir,

**Sub.: Pledge & Un-pledge of securities in ISPARC for Exposure / Margin**

All Registered Intermediaries of ISS are requested to take note on the procedures on Pledge and Un-pledge of securities in iSPARC

**Procedures on Pledge of securities in iSPARC**

1. Members should make entry in iSPARC (Sub-brokers module) Custody>Definition> Security Pledge and provide the following details.: (1) Client Code (2) Exchange (3) From Dp Client Id (4) Security Code (5) Security Name, (6) Quantity (7) Maturity Date (should be year 2050) and (8) Remarks. Please ensure to check once again the correctness of the details such as ISIN and quantity before pledge request.
2. Please note only approved securities are considered for pledge. Pledging of securities are accepted only from sub-brokers [C000/I000] in NSE / BSE Segments and clients and sub-brokers in FNO segments.
3. After making pledge request, Registered Intermediaries to take the printout on the letter head, authenticate with seal and signature and fax to ISS [Fax No. 022-67941160]. Pledge instructions are received through concerned Relationship Managers, (RM) ISS to Custody department for processing.
4. Original Pledge instruction duly signed should be couriered to ISS custody department immediately (within 48hours).
5. Applicable securities list of NSE/BSE are updated in iSPARC on every month or as soon as the concerned exchanges publish. If the securities that are not in approved list the same will be credited back to the respective clients Demat account or will be held in collateral account in case of shortage in ledger balance.
6. Members get exposure after the pledge confirmation with HDFC / BOI shareholding. Pledge request received from members would be processed and will be given effect within 24 hours of its receipt. Please note that ISS will process pledge request twice in a day i.e. 11.30 am and 2.30 p.m. Pledge request received after 2.30 pm will be processed on the next working day.

**Procedures on unpledge of securities in iSPARC**

1. Members who wish to unpledge securities, then they have to enter in ISPARC (Sub-brokers module) Custody> Definition> Security unpledge and provide the following details.: (1) Client Code (2) Exchange (3) From Dp Client Id (4) Security Code (5) Security Name, (6) Quantity (7) Maturity Date (year should be 2050) and (8) Remarks.
2. Unpledge request will be considered only if the client have adequate margins to cover open position, further, in case of ledger balance in cash/F&O is negative unpledged of shares will not be entertained.

*[Handwritten Signature]*  
26/05/2011

3. Unpledge request received from members would be processed and will be given effect within 24 hours of its receipt. Please note that ISS will process unpledged twice in a day i.e. 11.30 am and 2.00 p.m. Unpledged request received after 2.00 pm will be processed on the next working day.
4. Exposure will not be available to members / clients, once the un-pledge confirmation is approved by ISS.
5. After making un-pledge request, Registered Intermediaries to take printout of the same and fax to ISS on Fax No. 022-67941160 and courier the original Unpledge instruction to ISS custody department immediately (within 48 hours).

It has been observed that few members sell the pledged shares immediately after unpledge request is given. Hence Members are cautioned to sell the shares only after receiving the unpledged shares to client account as free balance to avoid short delivery.

For any further clarification kindly contact the under-signed or Ms. Nayana Karande at [custody@iseindia.com](mailto:custody@iseindia.com), or on 67941115, 67941109 and 67941138.

Thanking you,

Yours faithfully,

**For ISE SECURITIES AND SERVICES LTD.**

  
**Kevin MN Sunder**

Head Custody Department