

June 05, 2012

To

All Investors/Clients

Sub: Observation / Caution letters based on trading pattern of trading members and their client/s.

With reference to the above, Exchanges BSE & NSE have issued circulars dated June 05, 2012 regarding “**Observation / Caution letters based on trading pattern of trading members and their client/s**”. A copy of the same is enclosed herewith as an **Annexure**.

Investors/Clients are requested to take note of the same.

In case of any query please contact Mr. Nilesh K. Sindhav on 022-66413328/44.

Nilesh K. Sindhav
Compliance Officer

Annexure

With a view to identify and alert the market participants viz., Members, and their Clients at an early stage about unusual/abnormal activity, the Exchanges have decided jointly with SEBI to issue observation/caution letters to Members/clients where prima facie, unusual/abnormal activities are observed by the Exchange. This practice will start with immediate effect.

Trading members may note that as per the Code of Conduct prescribed in SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 a stock broker is required to act with due skill, care and diligence in the conduct of all his business. In continuation to the same, upon receipt of observation/caution letter from the Exchange, they will take adequate measures to ensure that there is no continuation of or undertaking of similar trading activity by them or their clients.

Trading members are advised to take note of the same and also bring the content of this notice to their clients.