

Ref: 06-07/ISS/NSE/34480/PI
April 27, 2006

All Registered Intermediaries of ISS
President / Executive Director of Participating Exchanges,
Co-ordination Officers at Participating Exchanges /
Regional Administrative Offices

Dear Sir,

Sub: Compliance Report on NSE Directives from the sub-brokers latest by April 29, 2006

This is with reference to the letter ref.no. NSE/MEM/SUB-BKR/21726-M dated April 20, 2006, received from NSE requiring us to furnish the following latest by April 29, 2006

1. Compliance Report on NSE Directives in respect of sub-brokers.

In order to enable us to furnish the above details to NSE within the stipulated time, you are advised to send us a Compliance Report on NSE Directives for the year 2005 – 06 (as per Annexure 1). The said certificate should reach us on or before April 29, 2006.

Your immediate action will be appreciated, as it would enable ISS to comply with the NSE requirements.

In case of failure to submit the said certificate within the stipulated timeframe, ISS shall be constrained to levy a monetary fine for non-submission / late submission at following rates:

- Rs. 100/- per day of levy for the 1st month after the due date.
- Rs. 500/- per day thereafter till the date of submission.
- Rs. 1000/- per day thereafter till the date of submission.

These fines have to be paid to NSE.

Thanking you,

Yours faithfully,
For **ISE SECURITIES & SERVICES LTD.,**

PARTHASARATHY IYENGAR
Secretary Officer – Legal & Secretarial Department

Encl: a/a

COMPLIANCE REPORT ON NSE DIRECTIVES
(2005 – 06)

From
Name and Address of the Sub-broker

To
The Compliance Officer
ISE Securities & Services Ltd.
International Infotech Park
Tower 7, 5th Floor
Sector 30, Vashi
Navi Mumbai – 400 703.

Dear Sir,

Ref: Sub-broker M/s _____
(SEBI Regn.no. _____)
Sub-broker Code: _____

I / We hereby confirm I / We have complied to the norms prescribed by the Exchange in respect of the following:

1. The Dominant Promoter Group consisting of not more than four individuals hold at least 51% of the paid-up equity capital of the Company. OR
The Dominant Shareholder along with the spouse holds atleast 51% of the shareholding.
2. Subsequent changes in the promoter group, Directors and Shareholding pattern are carried out only after obtaining prior permission from ISE and only after duly intimating ISE Securities & Services Limited.
3. The Dominant Promoter / Shareholding is / are not dominant promoters having directly / indirectly, singly or jointly a stake of 10% or more in any other sub-broking entity of NSE.
4. "Know your client" form completed in all respects and supported by necessary documents and sub-broker client agreement are duly executed on Stamp Paper of appropriate value and a copy of the same is given to my / our clients.
5. Purchase / Sale Notes are issued by me / us to my / our clients within 24 hours of the trade in the prescribed format duly numbered and acknowledgements taken on duplicate copies.
6. Correct data relating to all my / our clients are furnished to ISE Securities & Services Ltd. in respect of requirements relating to Unique Client Code.
7. Proper books of accounts as required under the SEBI and NSE Regulations have been maintained and a clear segregation of my / our client's money and my / our own fund(s) has been maintained.
8. Upfront margins as stipulated have been collected from my / our clients.
9. There are no pending complaints from my / our clients / investors.
10. Advertisement is not issued in violation of the code of advertisement prescribed by the Exchange.
11. Terminals have been provided only as per the norms prescribed by NSE. The details of all trading terminals including the approved users, NCFM details and exact location of the terminals have been provided to ISS in the prescribed format.
12. Transactions are carried out from such terminals (locations) as intimated to ISS and that trading is not carried out from any terminal which has not been intimated to ISS.
13. Trading Terminals for executing trades on NSE are operated by us and have not been given to any unauthorized persons.
14. All trades are executed through the Exchange and there are no off market deals.
15. I / We maintain an acknowledged copy of the funds and securities ledger of all clients on a quarterly basis.

Place:

Date:

Proprietor / Managing Director / Whole-time Director / Partner

Note: In case of Partnership firm to be signed by any two Working Partner