

Ref: 07-08/ISS/379/VV
April 27, 2007

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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 for the financial year 2006-07 to be
received from all the sub-brokers latest by April 30, 2007**

This is with reference to the letter ref.no. NSE/MEM/SUB-BKR/44324-G dated April 17, 2007, received from NSE requiring us to furnish the following latest by April 30, 2007.

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 2006 – 07 (as per Annexure 1). The said certificate should reach us before 3.00 p.m. on or before April 30, 2007.

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

Thanking you,

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

V. VASUMATHY
Company Secretary & Compliance Officer

Encl: a/a

ANNEXURE 1

COMPLIANCE REPORT ON NSE DIRECTIVES
(2006 – 07)

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. Copies of Income Tax returns filed by me / us for self and by my / our clients with Income Tax Department, have been duly submitted to the ISE Securities & Services Ltd. within one month of such filing.
5. Contract Notes are issued to all the clients within 24 hours of the execution of the contract with all the relevant details filled in bearing the signature of the authorised signatory, bearing a running serial number which is initialized at the beginning of each financial year.
6. In case of Electronic Contract Note, where Electronic Contract Note have not been delivered to the client or has been rejected at the e-mail ID of the client, a physical contract note has been sent to the client within 24 hours of execution of the contract note and a proof of delivery of such contract note has been maintained.

7. Duplicate acknowledged copies of physical contract notes issued to the clients wherever physical contract notes were issued, have been duly submitted to ISE Securities & Services Ltd. within one month of the date of issue of the same.
8. Correct data relating to all my / our clients are furnished to ISE Securities & Services Ltd. in respect of requirements relating to Unique Client Code and are given in the Client Registration Document (CRD) of all my / our clients.
9. Proper books of accounts as required under the SEBI and NSE Regulations have been maintained.
10. There are no pending complaints from my / our clients / investors.
11. A complaint register containing details of the complaints received from my / our clients has been maintained.
12. Advertisement is not issued in violation of the code of advertisement prescribed by the Exchange.
13. 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.
14. 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.
15. Trading Terminals for executing trades on NSE are operated by us and have not been given to any unauthorized persons.
16. All trades are executed through the Exchange and there are no off market deals.
17. Name board of the trading member i.e. ISE Securities & Services Ltd. is put up at a suitable place at the entrance of my / our office premises.
18. Principal Officer has been appointed by me / us as envisaged under the Anti Money Laundering Act, 2002 and the same has been intimated to ISE Securities & Services Ltd.
19. Written procedures are in place to implement the Anti-Money Laundering provisions as envisaged under the Anti Money Laundering Act, 2002 and the policy has been submitted to ISE Securities & Services Ltd. on my / our letterhead.

Place:

Date:

Proprietor / Managing Director / Whole-time Director / Partner

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