

TENTH ANNUAL REPORT 2007-2008



Inter-connected Stock Exchange of India Limited



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TENTH ANNUAL REPORT 2007-08

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Credit Choices
Business Savings
Banking For Seniors
Checking Choices
IRA Options



Inter-Connected Stock Exchange of India Limited

BRANCH OFFICES

AHMEDABAD

Shop No. 4, Valmik Complex
Near Parimal Garden
Ellisbridge, Opp. Kalipur Commercial Bank,
Ahmedabad - 380006.
(Branch Incharge: Shri Madhusudhan Soneji)

KOLKATA

Eastern Regional Office
Mukti Chambers - 306 & 403
4, Clive Road
Kolkata: 700001
(Branch Incharge: Shri Ramesh Kumar)

COIMBATORE

Southern Regional Office
ISE Stock Exchange Building
684, Stock Exchange Building
Trichy Road, Singanailore
Coimbatore - 6410 05.
(Branch Incharge: Shri T. Umashankar)

TIRUNEVELI

64 - D , Nellai Plaza
2nd Floor,
Madurai Road
Tirunelveli

DELHI

3RD Floor, R.D.Chambers,
16/11, Arya Samaj Road,
Karol Bagh,
New Delhi, 110001

NAGPUR

F-2, First Floor, Narmada Plaza
Dharampeth, Near Gini Bazar
Nagpur: 440010
(Branch Incharge: Shri Jay Kumar Mishra)

HYDERABAD

101-103, 1st Floor, Kubera Towers, 1st Floor,
Naryanguda,
Hyderabad (AP),
(Branch Incharge: Shri K. V. Nagabushan)

PATNA

Ashiana Plaza, 8th Floor, Room No. 803
Budh Marg
Patna - 800 001
(Branch Incharge: Shri Himanshu Kumar)

INVESTOR POINTS

TIRUPUR

32-A , 2nd Floor
Easwaran Kovil
Tirupur

KARAIKUDI

Mahendra Complex,
Jawahar Street,
New Town,
Karaikudi- 630001.



CORPORATE INFORMATION

BOARD OF DIRECTORS

PUBLIC INTEREST DIRECTORS
Shri K. Rajendran Nair, Chairman
Shri S. Ravi

SHAREHOLDER DIRECTORS
Shri K. D. Gupta
Shri T. N. T. Nayar
Shri M. K. Anadakumar
Shri Maninder Singh Grewal
Shri P. Sivakumar
Shri Sanjeev Puri

TRADING MEMBER DIRECTORS
Shri. Jambu Kumar Jain
Shri Rajiv Vohra

MANAGING DIRECTOR
Shri P. J. Mathew

**COMPANY SECRETARY
& COMPLIANCE OFFICER**
Shri Milind Nigam

AUDIT COMMITTEE
Shri K. D. Gupta
Shri T. N. T. Nayar
Shri P. Sivakumar

STATUTORY AUDITORS
M/s. A. J. Shah & Co.,
Chartered Accountants

INTERNAL AUDITOR
M/s. M. P. Chitale & Co.,
Chartered Accountants

BANKERS

HDFC Bank Limited
Vashi Branch
Sector 17, Vashi
Navi Mumbai 400703.

Axis Bank Limited
Vashi Branch
Sector 17, Vashi
Navi Mumbai 400703.

REGISTERED OFFICE

International Infotech Park
Tower No. 7, 5th Floor
Sector - 30, Vashi
Navi Mumbai - 400703.

Notice of the 10th Annual General Meeting of Inter-connected Stock Exchange of India Limited to be held on Friday, September 5, 2008 at 11.30 a.m. at Hotel Atithi, Near Mumbai Domestic Airport, Vile Parle (East) Mumbai - 99

NOTICE is hereby given that the 10th Annual General Meeting of the Members of Inter-connected Stock Exchange of India Ltd. will be held on **Friday, September 5, 2008 at 11.30 a.m. at Hotel Atithi, Near Mumbai Domestic Airport, Vile Parle (East) Mumbai - 99** to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2008 and Profit & Loss Account for the year April 1, 2007 to March 31, 2008 and Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Public Interest Director in place of **Mr. S. Ravi**, who is liable to retire by rotation, as per the applicable provisions of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To appoint a Shareholder Director in place of **Mr. K. D. Gupta**, who is liable to retire by rotation, as per the applicable provisions of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
5. To appoint a Shareholder Director in place of **Mr. M. K. Anandakumar**, who retires by rotation and is not eligible for re-appointment.
6. To appoint a Trading Member Director in place of **Mr. Jambu Kumar Jain**, who retires by rotation and is not eligible for re-appointment.
7. To appoint Auditors and to fix their remuneration.

Special Business

1. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an "Ordinary Resolution":**

"RESOLVED THAT Mr. P. Sivakumar, who was appointed as an Additional Director under Shareholder category, by the Board of Directors of the Company with effect from 30th August 2007, under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a member proposing his candidature for the office of a Shareholder Director, be and is hereby appointed as a Director of the Company."

BY ORDER OF THE BOARD

Sd/-

MILIND NIGAM
Company Secretary

Date: July 25, 2008
Place: Navi Mumbai

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE PROXY TO BE EFFECTIVE, SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The explanatory statement as required under Section 173(2) of the Companies Act, 1956, in respect of the Special Business set out above is annexed hereto.
4. Members who hold Shares in dematerialized form are requested to write their Client ID and DP ID Nos. and those who hold shares in Physical form are requested to write their Folio No. in the attendance slip while attending the Meeting for easy identification of attendance at the Meeting.

5. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him and such proxy need not be a member of the company. Under the provisions of Companies Act, 1956, voting is by show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid up capital of at least Rs. 50,000/-.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 01.09.2008 to 05.09.2008 (both days inclusive). Dividend on equity shares as recommended by the directors, if declared at the ensuing Annual General Meeting, the payment of the dividend will be made to those shareholders whose name appears in the Register of Members of the Company as on 29.08.2008. In respect of the shares held in electronic form (dematerialized mode), the dividend will be payable on the basis of the details of beneficial ownership, furnished by M/s. Central Depository Services (India) Limited for this purpose as at the end of business hours on 29.08.2008.
7. Members are requested to
- Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended 31st March 2008, so as to enable the Company to keep the information ready.
 - Bring their copy of the Annual Report and the Attendance Slip at the Annual General Meeting.
 - Intimate to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their addresses, where the shares are held in electronic form such change is to be informed to the Depository Participant (DP) and not to the Company / R&TA.
 - Quote Registered Folio Number or DP ID / Client ID in all the correspondence.
 - Approach the R & TA of the Company for consolidation of folios.
 - Furnish bank account details to the R&TA / Depository Participant to prevent fraudulent encashment of dividend warrants.
 - Avail of Nomination facility by filling in and forwarding the nomination form to the R&TA, if not already done.
 - Send all share transfer lodgments (physical mode) / correspondence to the **R&TA** of the Company up to M/s. Bigshare Securities Pvt. Ltd., E/2, Ansa Industrial Estate, Saki Naka, Andheri (E), Mumbai up to the date of book closure.
8. Members/ Proxies are requested to bring the Attendance Slip duly filled up for attending the Meeting.
9. Corporate Members are requested to forward a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
10. All the documents referred to in the Notice are open for inspection at the Corporate Office of the Company between 10.30 a.m. to 12.30 p.m. on all working days except Saturdays, Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.
11. Members are requested to Contact for any query related to shares, dividend and other inquiry at the following address:

Inter-connected Stock Exchange of India Ltd.

International Infotech Park
Tower No. 7, 5th Floor
Sector 30, Vashi
Vashi, Navi Mumbai - 400 703
Ph: +91-22-67941100

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956:

Special Business:

Mr. P. Sivakumar was appointed by the Board at its meeting held on 30th August 2007 as Additional Director of the Company under Section 260 of the Companies Act, 1956, to hold office as Shareholder Director (representing Madras Stock Exchange) up to the date of the ensuing Annual General Meeting. As required by the provisions under Section 257 of the Companies Act, 1956, notice has been received from a member (Madras Stock Exchange) proposing his appointment as Shareholder Director along with a deposit of Rs. 500/- (Rupees Five Hundred Only). The board considers it desirable that the Company should continue to avail of the services of Mr. P. Sivakumar.

The Board commends the resolution set out at item no: 7 of the Notice for adoption

Except Mr. P. Sivakumar no other director of the Company is concerned or interested in this proposed resolution.

BY ORDER OF THE BOARD

Sd/-
MILIND NIGAM
Company Secretary

Date: July 25, 2008
Place: Mumbai

DIRECTORS' REPORT: 2007 - 08

The Board of Directors of Inter-connected Stock Exchange of India Ltd. are pleased to present the Tenth Annual Report for the year ended March 31, 2008 together with the Audited Statement of Accounts for the financial year 2007-08.

FINANCIAL HIGHLIGHTS

The financial performance of your Exchange for the year 2007-08, together with the comparable figures for the four previous years, is given below:

Comparative Financial Performance		(Figs. in Rs. lakh)				
	2007-08	2006-07	2005-06	2004-05	2003-04	
INCOME						
Admission Fees from trading members	16.75	153.05	5.80	0.45	0.50	
Annual Subscriptions from trading members	85.18	83.52	61.51	49.91	52.18	
Listing Fees	1.40	1.18	1.20	1.36	0.89	
Transaction Charges	-	-	-	-	-	
Income from DP Operations	185.63	128.42	81.24	38.88	14.80	
Income from Training Programmes	22.72	30.24	19.30	-	-	
Income from Research	1.09	0.30	-	-	-	
Income from Rent	48.42	48.42	38.34	27.02	16.19	
Interest on Bank Deposits	210.11	77.33	63.34	48.46	36.12	
Others	15.54	57.13	47.00	41.86	35.49	
Reimbursement by ISS for usage of ISE Assets	53.19	63.96	75.83	99.60	85.58	
Management Services Fees	30.00	30.00	30.00	-	-	
Income from Current Investments – Mutual Fund	21.41	-	-	-	-	
Application fee & Admission fee for Additional Trading Rights	-	-	9.40	54.72	51.00	
Profit on sale of assets	-	-	165.06	-	-	
Total Income	691.44	673.55	598.02	362.26	292.75	
EXPENDITURE						
Employee Cost	141.45	116.73	93.68	57.87	48.23	
Administrative & operational expenses	225.38	267.47	166.98	134.74	77.94	
DP Expenses	65.03	44.28	36.94	20.95	11.58	
Training Programmes Expenses	8.31	7.57	36.16	-	-	
Research Expenses	0.06	0.25	-	-	-	
Interest	-	-	-	-	-	
Depreciation	20.87	21.74	28.24	142.53	143.59	
Total Expenditure	461.10	458.04	362.00	356.09	281.34	
Profit/(Loss) before Taxation	230.34	215.51	236.02	6.17	11.41	
Less: Provision for tax	131.40	89.69	21.56	-	-	
PROFIT/(LOSS) AFTER TAXATION	98.94	125.82	214.46	6.17	11.41	