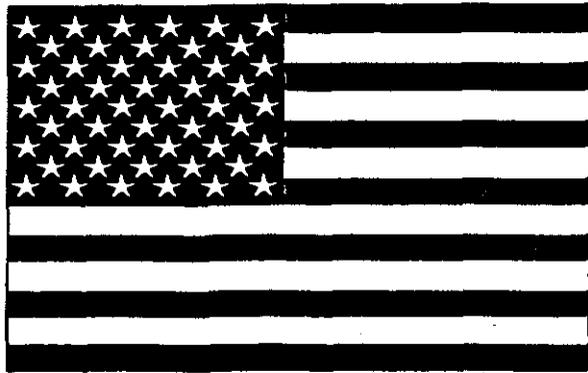
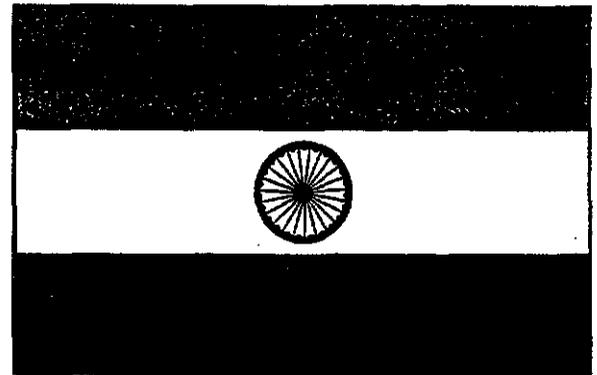


MEMORANDUM OF UNDERSTANDING



*The United States
Securities and Exchange Commission*



*The Securities and
Exchange Board of India*

*Regarding Cooperation, Consultation and
the Provision of Technical Assistance*

*Mumbai
March 6, 1998*

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

AND THE

SECURITIES AND EXCHANGE BOARD OF INDIA

REGARDING COOPERATION, CONSULTATION

AND THE PROVISION OF TECHNICAL ASSISTANCE

March 6, 1998

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
AND THE
SECURITIES AND EXCHANGE BOARD OF INDIA
REGARDING COOPERATION, CONSULTATION
AND THE PROVISION OF TECHNICAL ASSISTANCE

The United States Securities and Exchange Commission ("SEC") and the Securities and Exchange Board of India ("SEBI") (collectively, "the Authorities"),

Sharing the goal of building and maintaining open, fair, efficient and sound securities markets,

Recognising that the development of effective domestic legal and regulatory structures is essential to market integrity and investor protection,

Believing that international cooperation can facilitate the development and effective operation of securities markets, and

Desiring to establish a mutually acceptable basis for cooperation and consultation,

Have reached the following understanding:

I. GENERAL PRINCIPLES

1. This Memorandum of Understanding is a statement of the intent of the Authorities and does not create any binding international legal obligations.

2. The Authorities recognise the need and desirability of providing assistance to each other pursuant to this Memorandum of Understanding. The provision of such assistance will be consistent with the domestic laws of the respective States of the Authorities and the availability of resources. Where the provision of assistance would be contrary to the public interest of the State of an Authority, such assistance may be denied.

3. Procedures for making and executing requests for assistance, permissible uses of information, confidentiality requirements and other matters not explicitly included in this Memorandum of Understanding will be addressed on a case-by-case basis.

II. ENFORCEMENT COOPERATION AND CONSULTATION

4. The Authorities hereby declare their intent to provide each other assistance in obtaining information and evidence to facilitate the enforcement of their respective laws relating to securities matters. The Authorities recognise that such assistance will be particularly important in matters involving possible fraud in the offer, purchase or sale of securities. Where necessary, the Authorities will use all reasonable efforts to obtain the cooperation of other domestic governmental agencies to provide assistance pursuant to this Memorandum of Understanding.

5. The Authorities believe that it is necessary and appropriate to develop a framework to enhance communication and cooperation in all matters relating to the operation of their markets and

the protection of investors. In furtherance of these objectives, the Authorities intend to consult periodically about subjects of mutual interest, in order to strengthen their respective securities markets and promote and maintain the stability, efficiency and integrity of those markets.

6. To further ensure the effective operation of this Memorandum of Understanding, and to facilitate communication between the Authorities, the Authorities hereby designate contact officials as set forth in Attachment A.

III TECHNICAL ASSISTANCE

7. In furtherance of the objective of promoting the development of sound securities regulatory mechanisms, the SEC may, upon a request by SEBI, consult with and provide advice to SEBI with a view to establishing and implementing an ongoing technical assistance program. In this regard, the Authorities intend to work together to identify and address, subject to the availability of personnel and other resources, training and technical assistance needs to facilitate the development of a regulatory framework for the offer, purchase and sale of securities in India as well as the cross border offering of securities, including:

- a. laws and regulations to protect investors;
- b. standards for offering securities, including disclosure standards, accounting and auditing principles and standards, and methods and standards to be used in valuing securities;
- c. market oversight and enforcement mechanisms; and
- d. systems of supervision and standards of conduct for market professionals, including brokers, dealers and investment advisers.

IV. CONSULTATIONS AND EFFECTIVE DATES

8. Upon request, the Authorities will consult in the event of a denial by one Authority of, or opposition by one Authority to, a request or proposal made by the other Authority pursuant to this Memorandum of Understanding.

9. The Authorities will regularly review the operation of this Memorandum of Understanding with a view toward improving cooperation between them.

10. Cooperation under this Memorandum of Understanding will take effect from the date of its signing by the Authorities and will continue in effect until terminated by either Authority.

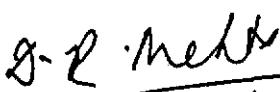
Signed this 6th day of March, 1998.

**FOR THE SECURITIES AND
EXCHANGE COMMISSION OF
THE UNITED STATES:**



**Isaac C. Hunt, Jr.
Commissioner**

**FOR THE SECURITIES AND
EXCHANGE BOARD OF INDIA:**


6th March 1998
**D.R. Mehta
Chairman**

ATTACHMENT A

The Securities and Exchange Commission appoints as its contact person:

**Director, Office of International Affairs
United States Securities and Exchange Commission
450 5th Street, N.W.
Washington, D.C. 20549, USA**

Tel. (202) 942-2770

Fax. (202) 942-9524

The Securities and Exchange Board of India appoints as its contact person:

**Executive Director, IIMARP Department
Securities and Exchange Board of India
Mittal Court, B Wing, 1st Floor
224 Nariman Point
Mumbai 400 021, India**

Tel. (22) 2861602

Fax. (22) 2845761