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May 10, 2006

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

Dear Sir / Madam,

**Sub: Reduction in the Brokerage Rates for the Futures & Options Segment w.e.f.
June 1, 2006**

After taking into consideration the views of Registered Intermediaries and with a view to boosting the turnover in the F&O segment of ISS, changes are proposed in the charges applicable in this segment.

It has been decided to lower the brokerage rate for carry forward trades in the F&O segment. The brokerage rate for such trades would be brought down to the same level as that for squaring-up trade (i.e. Rs. 5.70 per Rs. 1 lakh of turnover, instead of Rs. 10.70 per Rs. 1 lakh of turnover as applicable at present). The brokerage charge is exclusive of NSE transaction charges, stamp duty, service tax and STT, which will be charged extra at actuals.

The reduced brokerage rate would come into effect from June 1, 2006. The impact of this reduction in the brokerage rate would be assessed at the end of December 2006 and suitable course of action would be taken at that time.

Further, as part of a special F&O drive, the entry fee of Rs.35,000/- (admission fee: Rs.10,000/= and technology fee: Rs.25,000/=) would be waived in respect of all applications received for registration as Authorised Persons in the F&O segment between May 10, 2006 and September 30, 2006.

Registered Intermediaries are requested to take advantage of the lower charges for participating in the F&O segment

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

GOVIND S. CHAVAN
HEAD – MARKET OPERATIONS