

Chief General Manager
Market Regulation Department-Division of Policy
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MRD/DoP/SE/Cir-18/2008

May 22, 2008

The Executive Directors/Managing Directors of all Stock Exchanges

Dear Sir / Madam,

Sub: Margining of institutional trades in the cash market

1. Please refer to our circular No. MRD/DoP/Cir-06/2008 dated March 19, 2008 on the captioned subject.
2. In the light of difficulties expressed by the market participants regarding implementation of upfront margining of institutional trades in the cash market, it has been decided to keep the same in abeyance. Accordingly, institutional trades in the cash market would continue to be margined on T+1 basis till further directions.
3. The Stock Exchanges are advised to bring the provisions of this circular to the notice of the member brokers/clearing members and also disseminate the same on their website.
4. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

S V Murali Dhar Rao