



September 17, 2010

Ref: MAG/ALL/2010/010

To,
All the Sub-brokers/Branches/Authorised Persons/Remisiers

Dear Sir/Madam,

Sub: Measures to avoid Margin Violation in F&O, Commodity & Currency Segments

With reference to the above we hereby state as below:

1. As you all know that we have to collect upfront margin for trading & F&O, Commodity & Currency Segments from clients as required by SEBI/FMC & various exchanges.
2. To avoid any violation of this requirement we will be implanting the limit setting in the ODIN for these segments w.e.f. **22/09/2010**. As a result of the same...
 - a. Clients already violating the margin requirement will be restricted to take any new position,
 - b. Clients having credit balance in their account will be allowed to take further position only to the extent of their credit limit,
 - c. Clients having debit in NSE Cash market or BSE Cash market will also be restricted to the extent of their debit.
 - d. Clients having credit in BSE must transfer it to respective exchange to get additional limits for that credit.

The following formula will be used to calculate maximum permissible margin.

Maximum Margin Allowed =
Effective Collateral + Credit in NSE Cash & F&O - Debit in all exch. incl. NSE, BSE, MCX, NCDEX & MCX-SX

We request you to kindly provide for margin/additional margin in form of cheques/collateral for the clients having/want to have more exposure in F&O, Commodity & Currency Segments.

You may contact Mr. Piyush K. Upadhyay for any further information/clarification in this regard.

Thanking You,

Yours truly,
For Magnum Group

Director