

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2147
ANSWERED ON:14.03.2008
BROKERS MARGIN
Kaushal Shri Raghuvir Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether Securities and Exchange Board of India (SEBI) proposes to make such law in which an investor will have to pay margins to broker only once;
- (b) whether the Government proposes to increase margins to NSE;
- (c) if so, the details thereof;
- (d) whether the Government are likely to make an overall review in this regard;
- (e) if so, the details thereof; and
- (f) the details of any other action taken in this regard?

Answer

MINISTER OF STATE FOR FINANCE (SHRI PAWAN KUMAR BANSAL)

- (a): No, Sir. SEBI has specified the margins to be collected by the Exchanges from brokers. However, the quantum, the form and the mode of collection of margins from clients is left to the discretion of the brokers.
- (b) and (c): No, Sir.
- (d) and (e): SEBI has informed that it is not considering an overall review of the risk management system.
- (f): SEBI has advised Stock Exchanges to ensure that brokers provide daily report to each client, clearly bringing out his margin liability. It has also advised the Exchanges to commence public awareness programmes with special focus on the margin system.