

FMC/2/2012/C/20
F.No.7/3/2011-MKT-I

Dated the 9th February, 2012

To

(i) Managing Director, Multi Commodity Exchange of India Ltd., Exchange Square, CTS No. 255, Suren Road, Andheri (East), **Mumbai – 400093**.

(ii) Managing Director & CEO, National Commodity & Derivatives Exchange Ltd, Akruti Corporate Park, LBS Road, Kanjur Marg (W), **Mumbai – 400 078**

(iii) Shri Anil Mishra, Managing Director and CEO, National Multi Commodity Exchange of India Ltd., 5, 4th Floor, H. K. House, B/h, Jivabhai Chambers, Ashram Road, **Ahmedabad – 380 009**.

(iv) Managing Director, Indian Commodity Exchange Limited, Romell Technology Park, 8th Floor, Nirlon Compound, Western Express Highway, Goregoan East, **Mumbai – 400 063**

(v) Managing Director, ACE Derivatives and Commodity Exchange Limited, 401 'B' Wing, 4th Floor, Building No.4, Infiniti IT Park, Gen. AK Vaidya Marg, Dindoshi, Malad (E), **Mumbai – 400 097**

Sub : Trades executed in illiquid contracts

Sir,

It has been brought to the notice of the Commission that the incidence of wash trades, circular trades and trades of non genuine nature rise steeply during the months of February-March presumably for the purpose of evasion of taxes, particularly in illiquid contracts. You are directed therefore, to monitor strictly the occurrence of such trades and take prompt necessary action as per the directives of the Commission in the circular No.6/6/2007-MKT-II dated 5th March, 2010. A monthly report in this regard including the volume and turnover in such contracts with details of the action taken by the Exchanges on all suspicious trades may be forwarded to the Commission.

Yours faithfully,

SD/-

(Vishal Nair)
Deputy Director