MCX launches Gold Petal - futures trading in one gram gold contract

Contract is aimed at retail participation

Mumbai, April 18, 2011: Multi Commodity Exchange of India Ltd (MCX) today launched one gram gold contract called Gold Petal futures contract. Currently, Gold Petal May and June 2011 contracts have been offered for trading.

The trading unit of the gold contract is one gram and price quote for the contract is ex-Mumbai (inclusive of all taxes and levies relating to import duty, customs duty but excluding Sales Tax / VAT, any other additional tax or surcharge on sales tax, local taxes and octroi). The delivery of contract is possible in dematerialised or physical form. The physical delivery would be available in multiples of eight gram coins with London Bullion Manufacturers Association (LBMA) certified 999 purity. The delivery centers identified are G4 Securitas at Mumbai, and other delivery centers at New Delhi, Ahmedabad, Hyderabad, Bangalore, Chennai and Kolkata.

Tick size of the contract is Re 1/- per gram and the maximum order size is 10 Kg. The initial margin required to trade will be 4% or based on SPAN, whichever is higher. The open position limit for members has been fixed at 12.5 MT for all gold contracts combined together or 15% of the open market position, whichever is higher, and for clients it is 2.5 MT of all gold contracts combined together.

Mr. Lamon Rutten, **MD & CEO, MCX** said: "Gold is considered as an investment option, and has now become a part of portfolio of many investors and hedge funds. Availability of Gold Petal, a product that can act as a SIP product, will attract the retail participants."

MCX has developed different contract denominations to accommodate the needs of varied market participants. Apart from Gold Petal, the other gold contracts that the exchange offers are Gold (1 Kg), Gold Mini (100 grams) and Gold Guinea (8 grams).

About MCX:

Located in Mumbai, MCX (www.mcxindia.com) is a demutualised nationwide electronic futures exchange with permanent recognition from Government of India. MCX offers the benefit of fair price discovery and price risk management to the commodity market ecosystem. Various commodities across segments are traded on MCX. These include bullion, energy, metals and agri commodities. The exchange has entered into strategic alliances with various Indian and International commodity exchanges and business associations

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Disclaimer:
Multi Commodity Exchange of India Limited is proposing, subject to market conditions and other considerations, a public offer of equity shares by way of an offer for sale and has filed a Draft Red Herring Prospectus ("DRHP") with the SEBI. The DRHP is available on the websites of SEBI at www.sebi.gov.in and the book running lead managers at www.edelcap.com, http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm and www.morganstanley.com/indiaofferdocuments. Investors should note that investment in equity shares involves a high degree of risk and for details in relation to risk factors, please see the section titled "Risk Factors" in the DRHP.

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