PRESS RELEASE

Caution about unauthorised / illegal activities involving activities related to Dabba Trading

Mumbai, March 10, 2023: It has been brought to the notice of Multi Commodity Exchange of India Limited ("Exchange" or "MCX") that certain entities, operating through mobile numbers / websites, are indulging in illegal (dabba) trading / arranging illegal (dabba) trading platforms / indulging in illegitimate transactions with investors. Some of these entities may also be registered as Authorised Person (AP) of Members of the Exchange against whom the Exchange will initiate requisite disciplinary action post due investigations.

It may be noted that MCX is in no way connected to such illegal (dabba) trading / illegal (dabba) trading platforms / illegitimate transactions.

As per Securities Contract (Regulation) Act (SCRA), 1956, all trades (except spot transactions) must be carried out on a Stock Exchange recognized by SEBI. Any trade carried out otherwise, known as "dabba trading", is illegal and is punishable under the provisions of Section 406, 420 and Section 120-B of the Indian penal Code. Further, in terms of sections 23(1) of SCRA, any entity / person who contravenes sections 13, 16, 17, or 19 of the SCRA by indulging in dabba trading can be prosecuted. As per the section 25 of SCRA, offences punishable under section 23 are cognizable offences within the meaning of Code of Criminal Procedure, 1973 and as such can be investigated by state law enforcement authorities. Further, Section 26 of SCRA permits lodging of complaints of violation of the Act by the state authorities.

The Exchange hereby advises its Members to do thorough due diligence of entities before seeking their registration as Authorised Person (AP) with the Exchange and subsequently conduct independent inspection of Authorised Persons registered under them and ensure compliance as per extant regulations of SEBI and the Exchange.

The Investors are also cautioned and advised NOT to indulge in illegal (dabba) trading / trading on illegal (dabba) trading platforms / illegitimate transactions / avail any such schemes or products in Commodity Derivatives Market as the same is prohibited by law. Participation in such illegal trading / trading platforms / transactions is at the investor's own risk, cost and consequences as such illegal trading platforms are not regulated by SEBI, the regulatory authority.

The investors may note that for any kind of disputes relating to such prohibited activities / schemes / products, none of the following recourses will be available to the investors:
1. Benefit of investor protection under Exchange's Jurisdiction
2. Exchange dispute resolution mechanism
3. Investor grievance redressal mechanism administered by Exchange.

The details of registered trading members and Authorised Persons of the registered trading members of MCX are available on website: www.mcxindia.com.

The above is issued in the interest of registered Members, Authorised Persons and the clients / investors at large.

About MCX:

Having commenced operations on November 10, 2003, Multi Commodity Exchange of India Limited (MCX) is India's first listed, national-level, electronic exchange and India's leading commodity derivatives exchange with a market share of about 96.8 per cent in terms of the value of commodity futures contracts traded in financial year 2022-23 (April - December 2022). MCX offers the benefits of fair price discovery and price risk management to the Indian commodity market ecosystem. Various commodities across segments are traded on the Exchange platform. These include bullion, energy, metals and agri commodities. The exchange has forged strategic alliances with various international exchanges, as well as Indian and international trade associations. For more information, about MCX and its products visit www.mcxindia.com.

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