

MCX Stock Exchange FACTSHEET

MCX-SX
India's New Stock Exchange

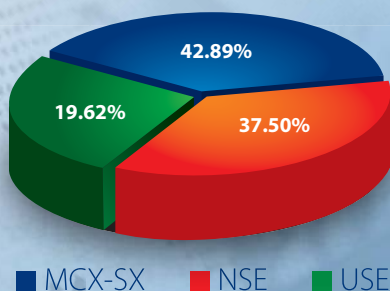
Quickfacts

700+
members

600+
Geographic spread across
cities and towns

900+
Education programmes
across India - average of 1
programme per working day

Market Share



July 2011-Dec 2011

Source: Respective websites

Note: Market Share includes only futures contracts

About MCX Stock Exchange (MCX-SX)

MCX Stock Exchange (MCX-SX), India's new stock exchange, commenced operations in the Currency Derivatives (CD) segment on October 7, 2008 under the regulatory framework of Securities & Exchange Board of India (SEBI) and Reserve Bank of India (RBI). The Exchange is recognised by SEBI under Section 4 of Securities Contracts (Regulation) Act, 1956. In line with global best practices and regulatory requirements, clearing and settlement is conducted through a separate clearing corporation, MCX-SX Clearing Corporation Ltd. (MCX-SX CCL).

A new generation stock exchange, MCX-SX currently offers a world-class electronic trading platform in currency futures contracts. MCX-SX has been a market leader in this segment, witnessing a steady and significant growth in average daily turnover and open interest ever since its inception. The average daily turnover increased from Rs 355 crore during its first month of operations to Rs 12,571.68 crore in December 2011. MCX-SX witnesses a wide participation from 673 towns and cities across India, which is supported by a strong member base of 751.

Adhering to its philosophy of '**Systematic Development of Markets through Information, Innovation, Education and Research**,' MCX-SX's mission has been to promote *Financial-literacy-for-Financial Inclusion™*, as is envisaged by the Government of India. MCX-SX till date has conducted more than 900 investor education programmes across the country, averaging almost one per working day. The Exchange has also roped in a wide array of partners, including media, educational institutions, trade bodies and international organisations, to jointly conduct programmes on financial literacy & investor awareness and initiate other developmental programmes for India's financial markets.

MCX-SX endeavours to ensure continuous innovation by introducing various products and services under the extant regulatory framework. The Exchange is in readiness to commence Equity and Equity Futures & Options segments, Interest Rate Futures, SME segment securities, Index Funds and Exchange Traded Funds, on receiving regulatory approvals.

Cutting-Edge Technology@MCX-SX

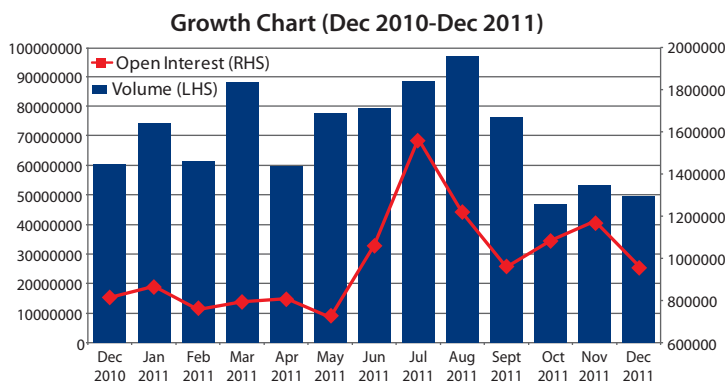
The robust technology infrastructure of MCX-SX facilitates quick order routing, trade execution, trade reporting, market data dissemination, risk management and market surveillance, apart from complex security and risk management features.

- The automated screen-based trading system, which is hosted on a fully fault tolerant server – Stratus Fault Tolerant (FT) Server – delivers an uptime of 99.999% and provides continuous availability
- For redundancy in network, members have the option of multiple modes of connectivity such as leased lines, VSAT, ISDN and Internet (through SSL VPN)
- SAP ECC 6.0 has been implemented to enhance efficiency through faster processes and systems

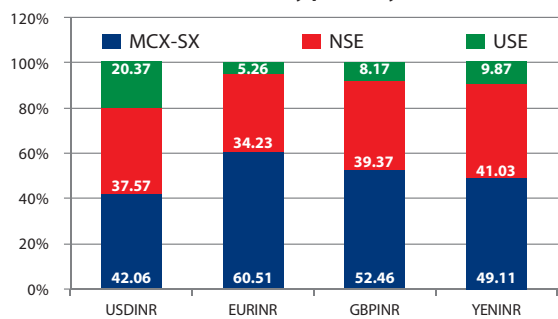
CURRENCY DERIVATIVES @ MCX-SX

MCX-SX currently offers trading in four currency future pairs. Initially, trading in only US Dollar-Indian Rupee (USDINR) was allowed, but regulators subsequently approved trading in three other currency pairs, viz. Euro-Indian Rupee (EURINR), Pound Sterling-Indian Rupee (GBPINR) and Japanese Yen-Indian Rupee (JPYINR).

The currency futures contracts on MCX-SX enable Indian Importers, Exporters, Corporates, Banks and other participants to effectively hedge their risks arising out of volatile currency prices. These contracts also offer a better flexibility than the currency contracts traded on over-the-counter (OTC) market as the structure and pricing of an exchange-traded contract is more transparent. The MCX-SX platform provides the desired liquidity and depth to all members, be it Banks, corporate houses, brokerages or the retail investor. Furthermore, all transactions are settled through its clearing corporation, MCX-SX CCL, which makes trading on MCX-SX more secure by eliminating the counter-party risk.



Market share of each currency pair (July 2011-Dec 2011)



Note: Market share includes only futures contracts

Source: Respective exchange website

PRODUCT SPECIFICATIONS

Symbol	USDINR (\$)	EURINR (€)	GBPINR (£)	JPYINR (¥)
Unit of trading	1 (1 unit denotes 1000 USD)	1 (1 unit denotes 1000 EURO)	1 (1 unit denotes 1000 POUND STERLING)	1 (1 unit denotes 100000 YEN)
Underlying	USD The exchange rate in Indian Rupees for a US Dollar	EURO The exchange rate in Indian Rupees for a EURO	POUND STERLING The exchange rate in Indian Rupees for a POUND STERLING	JPY The exchange rate in Indian Rupees per 100 JPY
Tick size	0.25 paise or INR 0.0025			
Trading hours	Monday to Friday - 9:00 a.m. to 5:00 p.m.			
Contract trading cycle	12 month trading cycle			
Last trading day	Two working days prior to the last business day of the expiry month at 12:15 p.m.			
Final settlement day	Last working day (excluding Saturdays) of the expiry month The last working day will be the same as that for Interbank Settlements in Mumbai			
Position limits				
Client	Higher of 6% of total open interest or USD 10 million	Higher of 6% of total open interest or EUR 5 million	Higher of 6% of total open interest or GBP 5 million	Higher of 6% of total open interest or JPY 200 million
Trading Member (other than banks)	Higher of 15% of the total open interest or USD 50 million	Higher of 15% of the total open interest or EUR 25 million	Higher of 15% of the total open interest or GBP 25 million	Higher of 15% of the total open interest or JPY 1000 million
Banks	Higher of 15% of the total open interest or USD 100 million	Higher of 15% of the total open interest or EUR 50 million	Higher of 15% of the total open interest or GBP 50 million	Higher of 15% of the total open interest or JPY 2000 million
Minimum initial margin	1.75% on the first day and 1% thereafter	2.8% on the first day and 2% thereafter	3.2% on the first day and 2% thereafter	4.50% on the first day and 2.30% thereafter
Calendar spreads	₹400 for a spread of 1 month, ₹500 for a spread of 2 months, ₹800 for a spread of 3 months & ₹1,000 for a spread of 4 months or more	₹700 for a spread of 1 month, ₹1,000 for a spread of 2 months, ₹1,500 for a spread of 3 months or more	₹1,500 for a spread of 1 month, ₹1,800 for a spread of 2 months, ₹2,000 for a spread of 3 months or more	₹600 for a spread of 1 month; ₹1,000 for a spread of 2 months and ₹1,500 for a spread of 3 months or more
Settlement	Daily settlement: T+1, Final settlement: T+2			
Mode of settlement	Cash settled in Indian Rupees			
Daily settlement price (DSP)	DSP shall be calculated on the basis of the last half an hour weighted average price of such contract or such other price as may be decided by the relevant authority from time to time			
Final settlement price (FSP)	RBI reference rate		Exchange rate published by the Reserve Bank in its Press Release captioned RBI Reference Rate for US\$ and Euro	

PIONEERING MARKET DEVELOPMENT INITIATIVES

MCX-SX's mission is *Financial-literacy-for-Financial Inclusion*TM. Since its inception, the Exchange has been tirelessly working towards broad-basing participation and creating globally-aligned financial markets that are well integrated with the allied ecosystem. MCX-SX also has been campaigning for introduction of global best practices in India in order to make processes simpler and bring more efficiency into the exchange's operations through deployment of state-of-the-art technology. To achieve the aforesaid goals, MCX-SX has introduced the following initiatives that have been recognised as truly pioneering in the Indian exchange industry:

- Reduction of the gap of collections of mark-to-market (MTM) margins
- Deployment of superior technology for continued operations during sun outage
- Launch of the Exchange website in 12 languages



SMS SERVICE

- Price information of currency futures contracts via SMS



GUIDE & CD ON INTEREST RATE FUTURES

- Launch of India's first handbook and CD on Interest Rate Futures



ALLIANCES

- Tie-up with FTSE Group to create new index opportunities for Indian financial markets
- Alliances with trade associations, media and top educational institutions, for financial literacy and other market developmental initiatives



COMMUNIQUE

- Monthly Exchange newsletter



WAP-ENABLED SERVICE

- A dedicated WAP portal for currency prices on mobile



MARKET UPDATE

'Envisaging COHESIVE FINANCIAL MARKETS'

- Market Update, which encompasses the happenings around global financial markets and presents a macro view with micro details of the financial markets



FAQS ON CURRENCY FUTURES

- Detailed FAQs on currency trading



SEMINARS & TRAINING PROGRAMS

- More than 900 financial literacy programmes till date, averaging one per working day

INDUSTRY ALLIANCES

MCX-SX has collaborated with several partners, including top global exchanges, educational institutions, industry associations, trade bodies and media houses, for engaging in common forums to promote financial literacy & investor awareness, for exploring opportunities for various other market development initiatives, promotion of research & training and introduction of global best practices in Indian exchanges.

Notably, the Exchange has tied up with FTSE, a JV between The London Stock Exchange (LSE) and The Financial Times of the United Kingdom, to create new index opportunities for Indian financial markets. MCX-SX and FTSE are working together to create new domestic index products for India and also to introduce a set of FTSE indices on MCX-SX.



SHAREHOLDERS

MCX-SX's shareholders include India's top public sector banks, private sector banks and top Indian financial institutions.



BOARD OF DIRECTORS & ADVISORY BOARD

BoD and Advisory Board of the Exchange have a proven expertise in financial markets, managing exchanges across multiple asset classes and a vast regulatory experience. Combined with their vision, this experience will enable MCX-SX to continuously innovate in terms of products and services and to offer cutting-edge technology and cost optimisation.

Board of Directors

- **Mr. Ashok Jha, IAS (retd.) – Independent Chairman**
Former Finance Secretary; Former Secretary, Dept. of Economic Affairs and Dept. of Industrial Policy & Promotion
- **Mr. Jignesh Shah – Non-Executive Vice-Chairman**
Chairman & CEO, Financial Technologies (India) Ltd.
- **Dr. Nitish Sengupta, IAS (retd.) – Independent Director**
Former MP; Chairman, Board For Reconstruction of Public Sector Enterprises; Former Revenue Secretary
- **Mr. S U Kamdar – Public Interest Director**
Former Judge of the Bombay High Court
- **Mr. Vepa Kamesam – Independent Director**
MD, Institute of Insurance and Risk Management, Hyderabad; Former Deputy Governor, Reserve Bank of India
- **Mr. S S Thakur – Public Interest Director**
Former Chairman, Central Depository Services (India) Ltd.; Founder Chairman, HDFC Bank Ltd.
- **Mr. C M Maniar – Public Interest Director**
Senior Partner, Crawford Bayley & Co.
- **Mr. B D Sumitra – Independent Director**
Former MD, CCIL; Former Deputy Managing Director, SBI
- **Mr. P R Barpande – Public Interest Director**
Former Partner, Deloitte Haskins & Sells
- **Prof. (Mrs.) Ashima Goyal – Public Interest Director**
Professor, Indira Gandhi Institute of Development Research
- **Mr. Atul Rai – Non-Executive Director**
CEO & Managing Director, IFCI Ltd.; Former Director, Ministry of Finance (Banking Division)
- **Mr. V Hariharan – Non-Executive Director**
Director- Strategy, FTIL
- **Mr. C VR Rajendran – Non-Executive Director**
GM-Treasury, Corporation Bank; Former CEO, Corpbank Securities Ltd.
- **Mr. Vivek Mhatre – Non-Executive Director**
GM, Treasury, Union Bank of India
- **Mr. P K Chhokra – Non-Executive Director**
GM, Treasury Branch, Punjab National Bank
- **Mr. Joseph Massey – Managing Director & CEO**
Chairman, South Asian Federation of Exchanges (SAFE); Former MD & CEO, Multi Commodity Exchange of India Ltd.
- **Mr. U Venkataraman – CEO- Currency Derivatives Segment & Whole Time Director**
Former Head-Treasury, IDBI Bank Ltd.

Advisory Board

- **Mr. G N Bajpai – Chairman of Advisory Board**
Former Chairman, SEBI & LIC
- **Mr. Venkat Chary, IAS (retd.)**
Former Chairman, FMC; Former Additional Chief Secretary, Maharashtra
- **Dr. L C Gupta**
Director, SCMRD, and Former Member, SEBI
- **Mr. Ganesh Rao**
CEO, IBS Forex Ltd, and Former Chief Trader, FX, Bank of America
- **Mr. Jamal Mecklai**
CEO, Mecklai Financial

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