

टेलिफोन : २२८१ १२६२ / २२८१ १४२९
तार : वायदायोग कालबादेवी
फैक्स : २२८१ २०८६

भारत सरकार
GOVERNMENT OF INDIA

Telephone : 2281 1262 / 2281 1429
Telegram : FORMARCOM-KALBADEVI
Fax : 2281 2086
E-mail : contact.fmc@nic.in
Website : www.fmc.gov.in

वायदा बाज़ार आयाग

FORWARD MARKETS COMMISSION

वित्त मंत्रालय

MINISTRY OF FINANCE

(आर्थिक कार्य विभाग)

(DEPARTMENT OF ECONOMIC AFFAIRS)

एवरेस्ट, तीसरी मंज़िल
'EVEREST', 3 RD FLOOR
१००, मरीन ड्राइव, मुंबई - ४०० ००२.
100, MARINE DRIVE, MUMBAI - 400 002.

No: 3/2/2009 -MD-I. Vol- II (PF)

Dated: 17th September, 2014

To
The Chief Compliance Officer,
Multi Commodity Exchange of India Ltd.,
CTS No. 225, Suren Road, Chakala,
Andheri (East), Mumbai - 400 093.

Sub: Commission's letter dated May 8, 2014 – (i) Non-compliance with the Order dated 17th December, 2013 , (ii) Status of closure report of the Oversight Committee, (iii) Action Taken on PwC findings. – Launching of contracts expiring in calendar year 2015- Regarding.

Sir,

Please refer to your letter No MCX/SEC/574, dated 12th September, 2014 on the subject, informing the Commission with the updated status on issues relating to technology agreement with FTIL, divestment of remaining 15% shareholding by FTIL in MCX to KMBL and action taken on various findings made by the Oversight Committee and PwC in their reports. The letter dated 10th September, 2014 addressed by FTIL to the Exchange with copy marked to the Commission with an assurance to execute the SPA on or before 30th September, 2014 was also perused.

2. The Commission has taken note of the progress made by the Exchange in execution of technology agreement with FTIL, which is reportedly a pre-condition set out in the share purchase agreement (SPA) signed between FTIL and KMBL. The progress made by the Exchange in implementation of findings by the Oversight Committee and PwC report, have also been noted by the Commission.

3. The Commission has received representations from market participants to permit launch of fresh contracts in MCX to ensure continuity of trading and hedging on the platform.

4. In view of the above developments, the Commission has decided the following:-

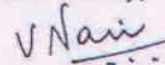
(i) The MCX can launch all its contracts for the year 2015 once the full divestment by FTIL in MCX takes place in compliance of the Order of the Commission dated 17th December, 2013.

(ii) The MCX can launch contracts up to March 2015 as soon as a new technology agreement is signed between MCX and FTIL. This is being done in view of the fact that signing of such an agreement is a pre-condition for the sale of shares from FTIL to KMBL. It is expected that the divestment will be completed by FTIL soon after signing of the technology agreement.

(iii) The MCX can launch contracts as above subject to fulfillment of stated conditions, without any further reference to the Commission.

(iv) The MCX is also directed to vigorously take all pending actions on findings of PwC Report and furnish an updated compliance report by 15th October, 2014.

Yours sincerely,



(Vishal Nair)
Deputy Director