Red Herring Prospectus
Dated February 10, 2012
Please read Section 60B of the Companies Act, 1956
Book Building Offer

MCX METAL & ENERGY
Trade with Trust

MULTI COMMODITY EXCHANGE OF INDIA LIMITED

(We were originally incorporated as a private limited company under the Companies Act, 1956, as amended ("**Companies Act**") on April 19, 2002 as Multi Commodity Exchange of India Private Limited. Subsequently, we were converted into a public limited company and consequently our name was changed to Multi Commodity Exchange of India Limited on May 16, 2002. We received a fresh certificate of incorporation dated May 28, 2002 from the Registrar of Companies, Maharashtra ("**RoC**") upon change of name. For details of change in name and registered office, see sections titled "General Information" and "History and Certain Corporate Matters" on pages 67 and 169, respectively.)

Registered Office: Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai 400 093
Tel: (91 22) 6731 8888; **Fax**: (91 22) 6649 4151;
Contact Person: P. Ramanathan, Company Secretary and Chief Compliance Officer; **E-mail**: mcxofs@mcxindia.com; **Website**: www.mcxindia.com

PROMOTER OF OUR COMPANY : FINANCIAL TECHNOLOGIES (INDIA) LIMITED

PUBLIC OFFER OF 6,427,378 EQUITY SHARES OF ₹ 10 EACH OF MULTI COMMODITY EXCHANGE OF INDIA LIMITED ("MCX" OR "OUR COMPANY") THROUGH AN OFFER FOR SALE BY FINANCIAL TECHNOLOGIES (INDIA) LIMITED, STATE BANK OF INDIA (EQUITY), GLG FINANCIALS FUND, ALEXANDRA MAURITIUS LIMITED, CORPORATION BANK, ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED AND BANK OF BARODA (THE "SELLING SHAREHOLDERS") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] MILLION (THE "OFFER"). THE OFFER COMPRISES A NET OFFER OF 6,177,378 EQUITY SHARES TO THE PUBLIC AND A RESERVATION OF UP TO 250,000 EQUITY SHARES FOR THE ELIGIBLE EMPLOYEES. THE OFFER WOULD CONSTITUTE 12.60% OF THE POST OFFER PAID-UP EQUITY CAPITAL. THE NET OFFER WOULD CONSTITUTE 12.11% OF THE POST OFFER PAID-UP EQUITY CAPITAL.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE.

In case of revision in the Price Band, the Bid/Offer Period will be extended for a minimum of three additional Working Days after revision of the Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" together with BSE, the "**Stock Exchanges**"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers ("**BRLMs**") and at the terminals of the other members of the Syndicate and by intimation to Self Certified Syndicate Banks.

In terms of Rule 19(2)(b)(ii) of the Securities Contracts (Regulations) Rules, 1957, as amended ("**SCRR**"), this is an Offer for at least 10% of the post-Offer capital where the post-Offer capital of our Company calculated at the Offer Price will be more than ₹ 40,000 million. The Offer is being made through the 100% Book Building Process wherein at least 50% of the Net Offer shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"). 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, may participate in this Offer through an Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective bank account which will be blocked by the Self Certified Syndicate Bank ("**SCSB**"), QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in this Offer. For details, see section titled 'Offer Procedure' on page 460. Non-Residents other than FIIs are not permitted to participate in this Offer.

RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares, there has been no formal market for the Equity Shares. **The face value of the Equity Shares is ₹ 10 per Equity Share. The Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value**. The Offer Price (as determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is drawn to the section titled "Risk Factors" on page 15.

IPO GRADING

This Offer has been graded by CRISIL Limited and has been assigned the "IPO Grade 5/5", indicating strong fundamentals, through its letter dated December 15, 2011 (together with a rating rationate dated January 6, 2012). The IPO Grading is assigned on a five-point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For details, see sections titled "General Information" and "Material Contracts and Documents for Inspection" on pages 67 and 508, respectively.

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer that is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole, or any such information or the expression of any such opinions or intentions, misleading in any material respect.

Each Selling Shareholder assumes responsibility only for the statements in relation to such Selling Shareholder included in this Red Herring Prospectus.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE. We have received in-principle approval from the BSE for the listing of our Equity Shares pursuant to letter dated May 19, 2011. For purposes of this Offer, the Designated Stock Exchange shall be the BSE.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
Edelweiss Ideas create, values protect	citi	Morgan Stanley	KARVY Computershare
Edelweiss Financial Services Limited 14th floor, Edelweiss House Off C.S.T. Road, Kalina, Mumbai 400 098. Tel: (91 22) 4086 3535 Fax: (91 22) 4086 3610 Email: mcx.ipo@edelcap.com Website: www.edelweissfin.com Contact Person: Dipti Samant Investor Grievance ID: customerservice.mb@edelcap.com SEBI Registration No: INM0000010650	**Citigroup Global Markets India Private Limited** 12th Floor, Bakhtawar, Nariman Point Mumbai 400 021 Tel: (91 22) 6631 9890 Fax: (91 22) 3919 7814 Email: mcx.ipo@citi.com Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact Person: Priyanka Kataruka Investor Grievance ID: investors.cgmib@citi.com SEBI Registration No:INM000010718	**Morgan Stanley India Company Private Limited** 18F/ 19F, Tower 2, One Indiabulls Centre 841, Senapati Bapat Marg, Mumbai 400 013 Tel: (91 22) 6118 1000 Fax: (91 22) 6118 1011 Email: mcx_ipo@morganstanley.com Website: www.morganstanley.com/indiaofferdocuments Contact Person: Nikhil Aggarwal Investor Grievance ID: investors_india@morganstanley.com SEBI Registration No: INM000011203	**Karvy Computershare Private Limited** Plot Nos. 17 – 24 Vittal Rao Nagar, Madhapur, Hyderabad 500 081 Toll Free No.: 1-800-3454001 Tel: (91 40) 4465 5000 Fax: (91 40) 2343 1551 Email: mailmanager@karvy.com Contact Person: M. Murali Krishna Website: http:\\karisma.karvy.com SEBI Registration No: INR000000221

BID/OFFER PROGRAMME

BID / OFFER OPENS ON : WEDNESDAY, FEBRUARY 22, 2012*	BID / OFFER CLOSES ON : FRIDAY, FEBRUARY 24, 2012

* Our Company and the Selling Shareholders may consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

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SECTION I

DEFINITIONS AND ABBREVIATIONS

Term	Description
The "Company" or "our Company" or "MCX" or "we" or "our" or "us" or "Exchange"	Unless the context otherwise indicates or implies, refers to Multi Commodity Exchange of India Limited, a company incorporated under the Companies Act

Company Related Terms

Term	Description
Articles of Association/Articles	The Articles of Association of our Company, as amended from time to time
Auditors	The statutory auditors of our Company, B S R and Company, Chartered Accountants
BA	Bourse Africa Limited
BFX	Bahrain Financial Exchange BSC (Closed)
Board of Directors/ Board	The board of directors of our Company or a committee of the Board constituted thereof
DGCX	Dubai Gold and Commodities Exchange DMCC
Director(s)	Unless otherwise specified, the director(s) of our Company
Equity Shares	Unless otherwise specified, equity shares of our Company of face value of ₹ 10 each
ESOP 2006	The employee stock option scheme of our Company approved at the meeting of the shareholders held on January 13, 2006 pursuant to which stock options have been granted to employees and directors of our Company and FTIL in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
ESOP 2008	The employee stock option scheme of our Company approved at the meeting of the shareholders held on February 27, 2008 pursuant to which stock options have been granted to permanent employees and directors of our Company through MCX ESOP Trust route
ESOP Schemes	ESOP 2006 and ESOP 2008 collectively
FTIL/Promoter	Financial Technologies (India) Limited
GBOT	Global Board of Trade Limited
Group Companies	Includes those companies, firms, ventures, etc., promoted by the Promoters, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act or not. For details, see section titled "Group Companies" on page 228
HT/HT Media	HT Media Limited
MCX ESOP Trust	Trust formed for the purpose of administering ESOP 2008
MCXCCL	Multi Commodity Exchange Clearing Corporation Limited

Term	Description
MCX-SX	MCX Stock Exchange Limited
MCX-SX CCL	MCX-SX Clearing Corporation Limited
Memorandum of Association/ Memorandum	The Memorandum of Association of our Company, as amended from time to time
Promoter Group	Unless the context otherwise requires, refers to those companies mentioned in the section titled "Our Promoter and Promoter Group" on page 220
Registered Office	The registered office of our Company, being Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai 400 093
Scheme	Scheme of reduction of capital implemented by MCX-SX with the approval of the Bombay High Court by an order dated March 12, 2010
SME	SME Exchange of India Limited
SMX	Singapore Mercantile Exchange Pte Limited
Subsidiaries	The subsidiaries of our Company being Multi Commodity Exchange Clearing Corporation Limited and SME Exchange of India Limited

Offer Related Terms

Term	Description
Alexandra	Alexandra Mauritius Limited
Allotment/ Allot/ Allotted	Unless the context otherwise requires, the transfer of Equity Shares pursuant to the Offer to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category, with a minimum Bid of ₹ 100 million
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bidding by Anchor Investors shall open and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by our Company and the Selling Shareholders to Anchor Investors on a discretionary basis in consultation with the BRLMs. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ ASBA	A process of submitting Bid cum Application Form, whether physical or electronic, used by Bidders other than Anchor Investors to make a Bid authorizing an SCSB to block the Bid Amount in their specified bank account maintained with the SCSB.

Term	Description
	ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Bidders participating in the Offer
ASBA Account	An account maintained by the ASBA Bidder with the SCSB and specified in the Bid cum Application Form, which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder
ASBA Bidders	Any Bidder (other than an Anchor Investor) who intends to Bid through ASBA
Axis	Axis Bank Limited
BoB	Bank of Baroda
Banker(s) to the Offer/Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Offer with whom the Escrow Account will be opened and in this case being Axis Bank Limited, HDFC Bank Limited, ICICI Bank Limited, IndusInd Bank, Standard Chartered Bank, State Bank of India
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders successful under the Offer and which is described in the section titled "Offer Procedure – Basis of Allotment" on page 488
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder
Bid/Offer Closing Date	Except in relation to any Bids received from Anchor Investors, the date after which the Syndicate and the Designated Branches of the SCSBs will not accept any Bids for the Offer, which shall be notified in all editions of Financial Express (a widely circulated English national daily newspaper, all editions of Jansatta (a widely circulated Hindi national daily newspaper and Mumbai edition of Loksatta (a widely circulated edition of Marathi newspaper
Bid/Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Syndicate and the Designated Branches of the SCSBs shall start accepting Bids for the Offer, which shall be notified in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai edition of Loksatta (a widely circulated edition of Marathi newspaper)
Bid cum Application Form	The form used by a Bidder applying through ASBA or non-ASBA process to make a Bid and which will be considered as the application for Allotment for the purposes of this Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form
Bid/Offer Period	The period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof
Book Building Process/ Method	Book Building process as provided under Schedule XI of the SEBI Regulations, in terms of which the Offer is being made
BRLMs/Book Running Lead	Book Running Lead Managers to the Offer, in this case being Edelweiss, Citi and

Term	Description
Managers	Morgan Stanley
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN/ Confirmation of Allocation Note	Note or intimation of allocation sent to Anchor Investors who have been allocated Equity Shares after discovery of the Offer Price through the Book Building Process, if the Offer Price is higher than the price at which allocation to the Anchor Investors has been made
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted
Controlling Branches	Such branches of the SCSBs which coordinate with the BRLMs, the Registrar to the Offer and BSE
Citi	Citigroup Global Markets India Private Limited
Cut-off Price	Offer Price, finalised by our Company in consultation with the BRLMs. Only Retail Individual Bidders and Eligible Employees whose Bid Amount does not exceed ₹ 200,000 are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1325570097787.html
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the amount blocked by the SCSB is transferred from the ASBA Account to the Public Offer Account or the Refund Account, as the case may be, after the Prospectus is filed with the RoC, following which the Selling Shareholders shall give delivery instructions for the transfer of the Equity Shares constituting the Offer
Designated Stock Exchange	BSE
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated March 31, 2011 issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the number of Equity Shares being offered in the Offer
Edelweiss	Edelweiss Financial Services Limited (erstwhile Edelweiss Capital Limited)
Eligible Employees	Permanent and full-time employees as of February 10, 2012, working in India, of our Company or of the holding company or subsidiary or that of the material associates of our Company whose financial statements are consolidated with our Company's financial statements as per Accounting Standard – 21 or a director of our Company, whether whole time or part time excluding Promoters and their immediate relatives who are Indian nationals and are present in India on the date of submission of the Bid cum Application Form and who continues to be in the employment of our Company until submission of the Bid cum Application Form
Employee Reservation Portion	The portion of the Offer being up to 250,000 Equity Shares aggregating to ₹ [●] million available for allocation to Eligible Employees on a proportionate basis
ESL	Edelweiss Securities Limited
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Offer and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid

Term	Description
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Offer, the BRLMs, the Selling Shareholders, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, at or above which the Offer Price will be finalised and below which no Bids will be accepted, subject to any revision thereto
GLG	GLG Financials Fund
HDFC	HDFC Bank Limited
ICICI Lombard	ICICI Lombard General Insurance Company Limited
ICICI	ICICI Bank Limited
IndusInd	IndusInd Bank
IPO Grading Agency	CRISIL Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 108,104 Equity Shares available for allocation to Mutual Funds only on a proportionate basis
Net Offer	The Offer less the Employee Reservation Portion
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer consisting of 926,607 Equity Shares available for allocation to Non-Institutional Bidders subject to valid Bids being received at or above the Offer Price
Morgan Stanley	Morgan Stanley India Company Private Limited
Offer	Offer of 6,427,378 Equity Shares of ₹ 10 each of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] million. The Offer comprises of a Net Offer to the public of 6,177,378 Equity Shares aggregating to ₹ [●] million and a reservation for Eligible Employees of 250,000 Equity Shares aggregating to ₹ [●] million
Offer Price	The final price at which Equity Shares will be issued/transferred and Allotted in terms of this Red Herring Prospectus. The Offer Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
Offer Proceeds	The proceeds of the Offer
Price Band	Price band of a minimum price (floor of the price band) of ₹ [●] and the maximum price (cap of the price band) of ₹ [●] and includes revisions thereof. The price band will be decided by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers and advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai edition of Loksatta (a widely circulated edition of Marathi newspaper) at least two Working Days prior to the Bid/Offer Opening Date
Pricing Date	The date on which our Company in consultation with the Book Running Lead

Term	Description
	Managers, finalize the Offer Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information
Public Offer Account	Account opened with Escrow Collection Banks/ Bankers to the Offer to receive monies from the Escrow Account and from the ASBA Accounts maintained with the SCSBs on the Designated Date
QIB Portion	The portion of the Net Offer being at least 3,088,689 Equity to be Allotted to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with IRDA, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million, National Investment Fund set up by Government of India, insurance funds set up and managed by army, navy or airforce of the Union of India and insurance funds set up and managed by the Department of Posts, India
Red Herring Prospectus or RHP	This Red Herring Prospectus to be issued in accordance with Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares are offered and the number of Equity Shares offered in the Offer. This Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Offer Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding the ASBA Bidder) shall be made
Refund banker	HDFC Bank Limited
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS as applicable
Registrar to the Offer	Karvy Computershare Private Limited
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their karta) excluding Eligible Employees who have not Bid for Equity Shares for an amount more than ₹ 200,000 in any of the Bid options in the Offer
Retail Portion	The portion of the Net Offer to the public being not less than 35% of the Net Offer consisting of 2,162,082 Equity Shares available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies, Maharashtra, located at Everest, 100, Marine Drive, Mumbai 400 002

Term	Description
Self Certified Syndicate Bank/ SCSB	A banker to the Offer registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in
Selling Shareholders	Financial Technologies (India) Limited, State Bank of India (Equity), GLG Financials Fund, Alexandra Mauritius Limited, Corporation Bank, Bank of Baroda and ICICI Lombard General Insurance Company Limited
SBI	State Bank of India
SBI (Equity)	State Bank of India (Equity)
Share Escrow Agreement	The agreement to be entered into between the Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer to place 6,427,378 Equity Shares offered by the Selling Shareholders pursuant to the Offer in escrow with the Registrar to the Offer acting as the share escrow agent
SMC	SMC Global Securities Limited
Specified Cities	Cities as specified in the SEBI Circular no. CIR/C/D/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat
SSFL	Sunidhi Securities & Finance Limited
SCB	Standard Chartered Bank
Syndicate or members of the Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate, the Selling Shareholders and our Company in relation to the collection of Bids in the Offer (excluding Bids from ASBA Bidders submitting their Bids at centers other than Specified Cities)
Syndicate Members	Edelweiss Securities Limited, SMC Global Securities Limited and Sunidhi Securities & Finance Limited
TRS/ Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters, the Selling Shareholders and our Company to be entered into on or after the Pricing Date
Working Days	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/ Offer Closing date and listing of the Equity Shares on the BSE, “Working Days”, shall mean all days excluding Sundays and Bank holidays in Mumbai in accordance with the SEBI Circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Technical and Industry Terms

Term	Description
ACE	Ace Derivatives and Commodity Exchange Limited
ATS	Alternative Trading Systems
APMC	Agricultural Produce Marketing Committee

Term	Description
ASE	Ahmedabad Stock Exchange
BMD	Bursa Malaysia Berhad
BOLT	BSE’s Online Trading System
CCX	Chicago Climate Exchange
Commodity/ Commodities	Distinct contracts traded on commodity exchanges
COMEX	Commodities Exchange Inc. (a division of CME)
CTCL	Computer to Computer Link
DGCX	Dubai Gold and Commodities Exchange DMCC
FIA	Futures Industry Association
GBOT	Global Board of Trade Limited
IDS	Intrusion Detection and Prevention System
IDUs	Indoor Units
ITCM	Institutional Trading cum Clearing Members
Kbps	Kilobits per second
LME	London Metal Exchange
mmBtu	Million British Thermal Units
MMT	Million Metric Tones
MPLS	Multi-Protocol Label Switching
MT	Metric Tonne
MTM	Mark to Market
MSE	Madras Stock Exchange
NABARD	National Bank for Agriculture and Rural Development
NAFED	National Agricultural Co-operative Marketing Federation of India Limited
NBHC	National Bulk Handling Corporation Limited
NCDEX	National Commodity and Derivatives Exchange Limited
NMCE	National Multi Commodity Exchange Limited
NSEAP	National Spot Exchange for Agriculture Produce
NSEL	National Spot Exchange Limited
NYBOT	New York Board of Trade
NYMEX	New York Mercantile Exchange
PCM	Professional Clearing Members
SGF	Settlement Guarantee Fund
T+1	Transaction date plus one day
TCM	Trading-Cum-Clearing Members

Term	Description
TOCOM	The Tokyo Commodity Exchange
Turnover	Single sided traded value of contracts on an exchange
TWSs	Trader Work Stations
VPN	Virtual Private Network

Conventional/General Terms

Term	Description
AGM	Annual General Meeting
AS	Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006, as amended from time to time
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Client ID	Beneficiary account identity
Companies Act	The Companies Act, 1956, as amended from time to time
Consolidated FDI Policy	Consolidated FDI Policy notified under Circular no. 2 of 2011 dated October 1, 2011 issued by DIPP
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A body corporate registered under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depository Participant/DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository participant identity
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Earnings per share
Equity Structure Guidelines	The Guidelines on the Equity Structure of the Nationwide Multi Commodity Exchanges after five years of operation (F.No. 12/1/2007-IT dated July 29, 2009) issued by the Department of Consumer Affairs, Ministry of Consumer Affairs including any amendments thereto
FCRA	Forward Contracts (Regulation) Act, 1952, as amended from time to time
FCRR	Forward Contracts (Regulation) Rules, 1954, as amended from time to time

Term	Description
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder
FII	Foreign Institutional Investors (as defined under SEBI (Foreign Institutional Investor) Regulations, 1995, as amended from time to time registered with SEBI under applicable laws in India
Financial Year /fiscal year/ FY/ fiscal	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FMC	Forward Markets Commission constituted under the FCRA
FVCI	Foreign Venture Capital Investors
GIR Number	General Index Registry Number
Government/ GOI/ Central Government	The Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IPO	Initial public offering
IT	Information technology
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally accepted accounting principles in India
MIMPS Regulations	Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges) Regulations, 2006, as amended from time to time
MoU	Memorandum of Understanding
Mn /mn	Million
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Non Residents/ NR	Non-Resident is a Person resident outside India, as defined under FEMA and includes a Non- Resident Indian, FIIs and FVCIs registered with SEBI
NRE Account	Non Resident External Account
NRI/Non-Resident Indian	Non-Resident Indian, is a Person resident outside India, who is a citizen of India or a Person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited

Term	Description
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Offer
p.a. / P.A.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PBT	Profit Before Tax
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
RBI	The Reserve Bank of India
RONW	Return on Net Worth
Rs./ ₹	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contract Regulation Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended from time to time
SEBI FII Regulations	SEBI (Foreign Institutional Investor) Regulations, 1995, as amended from time to time
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1995, as amended from time to time
Stock Exchanges	BSE and NSE
U.S. GAAP	Generally accepted accounting principles in the United States of America
Securities Act	U.S. Securities Act, 1933, as amended from time to time
VCF	Venture Capital Fund

CERTAIN CONVENTIONS; USE OF MARKET DATA

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our standalone financial statements for the fiscals 2007, 2008, 2009, 2010 and 2011, and nine months ended December 31, 2011 and consolidated financial statements for the fiscals 2009, 2010 and 2011, and nine months ended December 31, 2011 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All number in this Red Herring Prospectus have been represented in millions or in whole numbers, where the numbers have been too small to present in million.

The degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP.

All references to "India" contained in this Red Herring Prospectus are to the Republic of India, all references to the "US", "USA", or the "United States" are to the United States of America, all references to "UK" are to the United Kingdom, all reference to "U.A.E" are to the United Arab Emirates, all reference to "Singapore" are to the Republic of Singapore and all references to "Mauritius" are to the Republic of Mauritius.

For definitions, see section titled "Definitions and Abbreviations" on page 1. In the section titled "Main Provisions of Articles of Association" on page 495, defined terms have the meaning given to such terms in the Articles.

Use of Market data

Unless stated otherwise, industry data used throughout this Red Herring Prospectus has been obtained from various sources including public sources, industry publications, websites of various commodity exchanges, FIA and FMC. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified. Also, data from various industry sources may not be comparable.

Certain data and information contained in this Red herring Prospectus have also been sourced from the website of the following other commodity exchanges:

- Chicago Mercantile Exchange Group – http://www.cmegroup.com/market-data/volume-open-interest/
- The ICE Group – https://www.theice.com/marketdata/reports/ReportCenter.shtml
- London Metal Exchange – https://secure.lme.com/Data/community/Dataprices_monthly_volumes.aspx
- TOCOM – http://www.tocom.or.jp/historical/dekidaka.html
- Shanghai Futures Exchange – http://www.shfe.com.cn/upload/dir_20110106/82097_20110106.pdf
- Dalian Commodity Exchange – http://www.dce.com.cn/portal/cate?cid=1261736328100
- CZCE (Zhengzhou Commodity Exchange) – http://english.czce.com.cn/MonthlyReport.aspx

Currency of Presentation

All references to "Rupees" or "Rs." or "INR" or ₹ are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "U.S. Dollar(s)" or "USD" are to United States Dollars, the official currency of the United States of America. All references to "SGD" are to Singapore Dollars, the official currency of the Republic of Singapore, all references to "ZAR" are to the South African Rand, the official currency of South Africa, all references to "AED" are to the United Arab Emirates Dirhams, the official currency of United Arab Emirates, all references to "BHD" are to the Bahrain Dinar, the official currency of Bahrain and all references to "MUR" are to the Mauritius Rupee, the official currency of the Republic of Mauritius.

Exchange Rates

This Red Herring Prospectus contains certain U.S. Dollar and other currency amounts. For the line items for the profit and loss account, the reporting currencies have been translated using the average exchange rate for the relevant fiscal year. The USD to INR exchange rates used were 45.6148, 47.432 and 46.1259 for the fiscals 2011, 2010 and 2009, respectively, and 48.4259, 43.6079 and 41.3486 for the calendar years ended December 31, 2009, 2008 and 2007, respectively. The ZAR to INR exchange rates used were 6.3294, 6.0536 and 5.2357 for the fiscals 2011, 2010 and 2009, respectively. The AED to INR exchange rates used were 12.4166, 12.9105 and 12.5538 for the fiscals 2011, 2010 and 2009, respectively. The BHD to INR exchange rates used were 120.332, 125.211 and 121.528 for the fiscals 2011, 2010 and 2009, respectively. The MUR to INR exchange rates used were 1.4408, 1.4739 and 1.5033 for the fiscals 2011, 2010 and 2009, respectively.

Further, for the line items for the balance sheet, the reporting currencies have been translated using the closing exchange rates for the relevant fiscal year. The USD to INR exchange rates used were 45.2854, 45.004 and 51.7601 for the fiscals 2011, 2010 and 2009 respectively. The ZAR to INR exchange rates used were 6.6153, 6.0877 and 5.3249 for the fiscals 2011, 2010 and 2009 respectively. The AED to INR exchange rates used were 12.3278, 12.2497 and 14.0884 for the fiscals 2011, 2010 and 2009 respectively. The BHD to INR exchange rates used were 119.774, 118.816 and 136.884 for the fiscals 2011, 2010 and 2009 respectively. The MUR to INR exchange rates used were 1.5316, 1.4124 and 1.5061 for the fiscals 2011, 2010 and 2009 respectively.

FORWARD-LOOKING STATEMENTS

We have included statements in this Red Herring Prospectus, that contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions that are “forward-looking statements”.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Inability to maintain or grow the trading volume of commodity futures contracts traded on our Exchange;
- Decline in the volume of trade of certain commodities;
- Reduction in volatility in commodity prices;
- Cessation or interruption of important supplies or services by our Promoter;
- Failures or capacity constraints that cause an interruption to our services or decrease our responsiveness; and
- The vulnerability of our networks and those of our third party service providers to security risks, which could result in wrongful use of information.

For further discussion of the factors that could cause our actual results to differ, see section titled “Risk Factors” on page 15. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. In accordance with SEBI requirements, our Company, the Selling Shareholders and the BRLMs will ensure that investors are informed of material developments until such time as the grant of listing and trading permission by BSE. Our Company, the Selling Shareholders, the members of the Syndicate and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

SECTION II

RISK FACTORS

An investment in the Equity Shares involves a degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any one or some combination of the following risks were to occur, our business, results of operations, financial condition and prospects could suffer, and the price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Unless stated otherwise, the financial information used in this section has been derived from our restated consolidated financial statements.

Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in the United States and other countries. In addition, the risks set out in this Red Herring Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Offer including the merits and the risks involved.

Internal Risk Factors

1. *There are certain criminal cases pending against some of our Directors and Group Companies.*

There are certain criminal cases pending against some of our Directors and Group Companies. These include three criminal cases against our Non-Executive Non-Independent Director, Joseph Massey, in his capacity as a director of certain other exchanges at the relevant time. Similarly, our Non-Executive Independent Director, C.M. Maniar, has been named as a defendant in eight cases under Section 138 of the Negotiable Instruments Act, 1881, involving other companies. Also, two criminal cases have been filed against National Bulk Handling Corporation Limited ("NBHC") which are pending before various adjudicatory authorities. A summary of criminal cases against our Directors is set out below:

S. No.	Brief details of the case	Amount involved (₹ in million)
Criminal cases against Joseph Massey		
1.	A criminal case was filed against Joseph Massey by Anil Lal Chetta alleging wrongful declaration as a "defaulter", auction of his membership card, non-submission of certain documents and making false affidavit in the court.	No monetary claim has been made by the complainant
2.	A criminal case was filed against the Vadodara Stock Exchange and Joseph Massey in his capacity as the executive director for non-compliance of the Minimum Wages Act, 1948.	Amount cannot be ascertained
3.	Harish Chand Jain has filed a criminal case alleging that the Inter-connected Stock Exchange of India Limited ("ISEI") and its officials, including Joseph Massey (its then Managing Director), have wrongfully refused to refund the admission fees and connectivity charges paid by him at the time of his becoming a trade member of the ISEI.	No monetary claim has been made by the complainant
Criminal cases against C.M. Maniar		
1.	Eight complaints were filed under Section 138 of the Negotiable Instruments Act, 1881 against REPL Engineering Limited (where C.M. Maniar was a non-executive director), the Pharmaceutical Products of India Limited and Avon Products Limited. C. M. Maniar has resigned as a director of REPL Engineering Limited and Pharmaceutical Products of India Limited in 1997 and 2001 respectively. C.M. Maniar is presently	30.0

S. No.	Brief details of the case	Amount involved (₹ in million)
	not and has previously not been a director on the board of directors of Avon Products Limited.	

A summary of criminal cases against our Group Companies is set out below:

S. No.	Brief details of the case	Amount involved (₹ in million)
Criminal cases against NBHC		
1.	An FIR was lodged against General Mills India (P) Limited ("General Mills") and NBHC alleging that the wheat stock is in violation of Essential Commodities Act, 1955. General Mills filed a writ petition before the Bombay High Court to quash the FIR and the proceedings were stayed pursuant to the order dated February 10, 2008.	Nil
2.	Bharat Chandra Foods Private Limited has filed a criminal petition against the State of Orissa and NBHC challenging the cognizance order as such order was passed by the magistrate without taking recourse to the provisions of Section 202 of the Criminal Procedure Code.	Nil

Any adverse outcome from these proceedings may have an adverse effect on our reputation and business or cause the price of our Equity Shares to decline.

For details on the above mentioned proceedings, see "Outstanding Litigation" on page 391.

2. ***Our Company, Promoter and Group Companies are party to certain legal proceedings, which could harm our reputation and adversely affect our business.***

Our Company is a party to certain legal proceedings. A summary of these legal proceedings is set out in the following table:

S. No.	Nature of cases/ claims	Subject matter	No. of cases filed	Amount involved (₹ in million unless otherwise specified)
Proceedings initiated against our Company				
1.	Consumer	Refund of security deposit and mental agony, provision of deficient services, mishandling of accounts, cheating and spurious services in relation to commodities trading.	5	3.81
2.	Civil	Seeking temporary injunction in relation to the notice for initiation of arbitration proceedings by the Company, seeking stay on the order of suspension of membership, challenging the inquiry and inspection of books of accounts, MCX-SX dealing in interest rate derivatives, equity, futures and options on equity and wholesale debt segments and all other segments, three special leave petitions in relation to regulation of electricity forward contracts and	10	2.48

S. No.	Nature of cases/ claims	Subject matter	No. of cases filed	Amount involved (₹ in million unless otherwise specified)
		approval for trade in electricity forward contracts, absence of requisite entry in ledger account, grant of mandatory injunction and debarring from trading on the stock and commodity exchanges, recovery of outstanding amount.		
3.	Motor accident claim	A claim under Sections 166 and 140 of the Motor Vehicles Act.	1	2.50
4.	Arbitration (inclusive of arbitration petitions)	Two arbitration petitions challenging the order passed by arbitrators.	2	Nil
5.	Trademark oppositions	Five opposition claims on the grounds that the Company's application lack distinctiveness and the trademark sought is identical or deceptively similar.	5	Nil
6.	Tax proceedings	Three second appeals against the orders for the years 2005-06, 2006-07 and 2007-08.	3	Nil
Proceedings initiated by our Company				
1.	Criminal	Criminal complaint under Sections 138 read with Section 141 and 142 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques, criminal complaint under Sections 415, 418 and 420 of the Indian Penal Code, 1860 ("IPC") in relation to deceiving and cheating the Company, criminal complaint under Section 499 and 500 of IPC in relation to publication of defamatory articles, criminal complaint Sections 403, 415, 417 and 418 of IPC for false and dishonest representations made to the Company, criminal complaint under Sections 499 and 500 of IPC read with section 66-A (a) & (b) of Information Technology Act, 2000 for defamatory words spoken against our Company in TV News Channel "CNBC Awaz".	5	Nil
2.	Trademark oppositions	Three opposition claims filed by the Company application in respect of trademark application made by certain parties on the ground that the trademark sought to be registered by these parties is similar to Company's trademark.	3	Nil

Any adverse outcome from these proceedings may have an adverse effect on our reputation and business or cause the price of our Equity Shares to decline.

Also, the Company has received various letters from HT Media Limited alleging that the Company has breached the terms of the Share Purchase Agreement entered with *inter alia* the Company. For further details, see section titled "Outstanding Litigation – Complaint by HT Media Limited" on page 395. The Company has also received a letter from RoC forwarding the complaint received from Ashok Kumar Jain alleging that the Company failed in publishing certain documents in the Gazette of India and State Gazette which ought to be published under the provisions of the Forwards Contracts (Regulation) Act, 1952. For further details, see section titled "Outstanding Litigation – Letter from Registrar of Companies ("**RoC**")" on page 395.

Our Promoter and Group Companies are parties to certain legal proceedings a summary of which is set out in the following table:

No.	Nature of cases/ claims	Subject Matter	No. of cases filed	Amount involved (₹ in million, unless otherwise specified)
Proceedings initiated against our Promoter				
1.	Civil	Public interest petition to set aside and quash allotment of land in Rajiv Gandhi IT Habitat and writ petition challenging the SEBI order in respect of MCX-SX's pending proceeding for dealing in interest rate derivatives, equity, futures and options on equity and wholesale debt segments and all other segments.	2	Nil
2.	Tax proceedings	Two show cause cum demand notices in respect of non-payment of excise duty, two show cause cum demand notices in respect of non-payment of service tax, notice for investigation and appearance of the Promoter and verification, notice for proceedings under the Income Tax Act, 1961 and two orders issued by Income Tax authorities for different assessment years imposing penalty for withdrawal of depreciation claim on intellectual property rights.	8	117.98
Proceedings initiated by our Promoter				
1.	Civil	Permanent and temporary injunction restraining employee from taking up employment in another organization, notice against three of its past employees for joining competitors of the Promoter and an impleadment application in relation to the appeal filed by the National Stock Exchange of India Limited against the order dated June 23, 2011.	3	5.00
2.	Criminal	FIR against a former employee for infringing intellectual property	2	Nil

No.	Nature of cases/ claims	Subject Matter	No. of cases filed	Amount involved (₹ in million, unless otherwise specified)
		rights and criminal complaint before the court of Metropolitan Magistrate for seeking direction under Section 156(3) of the Criminal Procedure Code to lodge FIR against JJ trust for denying access to the bungalow as per terms of arrangement and for not releasing the deposit.		
3.	Arbitration	An arbitration application claiming compensation for breach of MoU and two applications for appointment of arbitrator in proceedings against two ex-employees for joining competitors in breach of their undertaking to the Promoter.	3	0.895
4.	Competition Commission	Impleading application in an appeal filed by National Stock Exchange of India Limited in the Competition Appellate Tribunal to implead the Promoter as a respondent.	1	Nil
5.	Tax proceedings	Appeal against order for different assessment years for balance amount of relief, two appeals against assessment order for different assessment year disallowing interest on zero coupon convertible bonds, deduction of issue expenses and exchange rate fluctuation, appeal against orders under Maharashtra Value Added Tax Act, 2002 and appeal against order under Central Sales Tax Act, 1956.	5	218.40
Proceedings initiated against Group Companies				
1.	Civil	Three applications for recovery of dues, claim for money payable in proceedings, claim of damages, notice for deficit stamp duty on sale deeds of properties, claim arising for stock of rice bought on credit, sub-license of leased premises, claim for loss due to out of supply of potatoes, non-payment of consideration under a	13	26.13

No.	Nature of cases/ claims	Subject Matter	No. of cases filed	Amount involved (₹ in million, unless otherwise specified)
		contract of delivery of rice and one writ petition for quashing the order of the local police.		
2.	Criminal	FIR in relation to stock of wheat in violation of Essential Commodities Act, 1955 and complaint to quash trial court proceedings.	2	Nil
Proceedings initiated by Group Companies				
1.	Civil	Winding up petition for outstanding amount and appeal against the order vacating the attachment of assets.	2	4.67 and USD 5.41 million along with interest of 1.25% per annum between the date of receipt of award and the date of payment
2.	Criminal	Six complaints in relation to dishonor of cheques, cheating, breach of trust and intimidation, petition for forfeiture of bonds for custody of rice, three FIRs for removal of commodities from the warehouse, an FIR for misappropriation of potatoes, petition for inaction at the police station, challenging order for exemption from personal appearance, challenging the letter from Kalinga Oil Refineries, two FIRs for cheating and misrepresentation, one FIR for a fire at a warehouse and one criminal complaint against employees for cheating and fabrication of certain documents.	17	10.61
3.	Consumer	Three suits in relation to non-settlement of insurance claim.	3	60.94
4.	Tax proceedings	Appeal against assessment orders for different assessment years for payment of sales tax by NBHC and against the assessment order for payment of income tax by MCX-SX CCL.	4	16.49

For details in relation to these proceedings, see “Outstanding Litigation” on page 391.

3. ***Our business and results of operations may be adversely affected if we are unable to maintain or grow the turnover of commodity futures contracts traded on our Exchange or retain our current members or attract new members to our Exchange.***

We derive our income primarily from transaction fees, which accounted for 81.5%, 78.1%, and 53.5% of our total income of ₹ 4,745.02 million, ₹ 4,475.60 million and ₹ 4,937.01 million, for the nine months ended December 31, 2011 and fiscal 2011 and 2010, respectively. Membership admission fees, annual subscription fees and terminal charges that we collect from members accounted for 3.3%, or ₹ 155.14 million, 4.3%, or ₹ 193.52 million, and 4.7%, or 233.02 million, of our total income for the nine months ended December 31, 2011 and fiscal 2011 and 2010, respectively.

The success of our business depends, in part, on our ability to maintain and increase the number of our members and the turnover on our Exchange and the resultant income from transaction fees. Our income from transaction fees depends on the average daily turnover generated by members and is therefore correlated with the value of the commodity futures contracts. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 365. Any decline in the trading volume or the number of members trading on our Exchange could lead to a decline in the income from transaction fees.

Our success also depends on our ability to offer competitive prices with respect to transaction and membership charges and services. We cannot assure you that we will be able to continue to expand our product lines, or that we will be able to retain our current members or attract new members. We also cannot assure you that we will not lose members to competitors. In addition, our success in growing our Exchange's membership will depend on our ability to offer an effective and liquid trading platform that facilitates efficient price discovery to attract more participation. Any decline in our Exchange's membership may negatively affect market liquidity, which could lead to further loss of trading volume. The trading volume on our Exchange may be affected by a number of other factors, including:

- development of new commodity futures contracts on competing exchanges;
- volatility in commodity prices;
- availability of more electronic trading platforms ;
- possible regulatory changes; and
- negative publicity and regulatory investigations.

If trading volume is not maintained or we fail to expand our product offerings, retain our current members or attract new members to our Exchange, our business and results of operations may be adversely affected.

4. ***The turnover of commodity futures contracts traded on our Exchange in the past has been concentrated in silver, gold, crude oil and copper. A decline in volume of trade or in our market share in such commodities may adversely affect our business and results of operations.***

The aggregate value of commodity futures contracts traded on our Exchange in the past has been concentrated in certain commodities. For the nine months ended December 31, 2011, the value of contracts of four commodities traded on our Exchange, namely silver, gold, crude oil and copper, accounted for 38.2%, 27.5%, 15.9% and 8.8%, respectively, of the total value of commodity futures contracts traded on our Exchange. These commodities accounted for 27.4%, 25.1%, 17.9% and 11.6%, respectively, of the total value of commodity futures contracts traded on our Exchange for fiscal 2011. As the transaction fees we charge are directly related to the value of commodity futures contracts traded on our Exchange, our income and results of operations could be adversely affected by any decline in total value of commodity futures contracts for these commodities traded on our Exchange and their volumes.

We have no direct control over the trading volumes of these commodities or their resulting concentration on our Exchange. Any decline in the trading volume in any of these commodities may adversely affect our business and results of operations.

5. ***We may face competition from existing players and new entrants in the industry which could adversely affect our business, financial condition and results of operations.***

The derivatives exchange industry is generally highly competitive. We expect that competition will increase and continue to intensify in the future. Our ability to maintain and enhance our competitiveness will have a direct effect on our business, financial condition and results of operations. We believe competition in our industry is based on the ability to provide services and business capabilities including:

- market liquidity;
- transparency;
- technological advancements;
- trading platform efficiency and reliability;
- new product offerings;
- pricing; and
- risk management capabilities.

There are currently 21 associations recognised by the Government of India which are authorised to organise and regulate futures trading in various commodities. Of these, we face competition mainly from national commodity exchanges such as NCDEX, NMCE, ICEX and ACE. For the nine months ended December 31, 2011, the five existing national commodity exchanges, including us, had a combined market share of 99.7%, as measured by turnover value, with NCDEX, NMCE, ICEX and ACE having market shares of 9.4%, 0.9%, 1.4% and 0.7%, respectively. (*Source: Market share data maintained by FMC*). While our business has grown in recent years, the emergence of new market entrants provides new challenges in the markets in which we operate. Competition within the Indian commodity futures exchanges may intensify as new commodities futures exchanges are established. Increased competition could lead to intense price competition, which could adversely affect our profit margins and increase the importance of the economies of scale. In addition, our competitors may also:

- respond more quickly to competitive pressures;
- introduce new commodity futures contracts and services that are preferred by our customers;
- develop products that compete with our commodity futures contracts;
- price their products and services more competitively;
- develop and expand their network infrastructure and service offerings more efficiently;
- utilise better, more user-friendly and more reliable technology; or
- take greater advantage of organic and inorganic growth opportunities, including acquisitions, alliances and other opportunities.

There can be no assurance that we will be able to continue to compete effectively. If our commodity futures contracts and services are not competitive, our business, financial condition and results of operations may be adversely affected.

6. ***Certain proposed amendments to regulatory or policy requirements, particularly to amend the FCRA, may not be brought into force in a timely manner or at all, which may adversely affect our ability to implement our growth strategies.***

Under the current regulatory environment, foreign institutional investors, banks and mutual funds cannot trade on commodity exchanges. Further, trading in options in commodities futures is prohibited in India.

We have invested significant resources including management time to develop certain strategies and ideas for new products in anticipation of certain proposed policy initiatives or regulatory measures, particularly the proposal to amend the FCRA. The proposed amendments to the FCRA have been made to strengthen the powers of FMC, permit trading in options and derivatives, demutualisation of existing bourses and setting up of a separate clearing corporation. If such measures are not brought into force in a timely manner, or at all, our ability to introduce new products on our Exchange and implement our growth strategy could be adversely affected. For further details, see section titled "Regulations and Policies" on page 162.

7. ***Our strategic investments, alliances and joint ventures involve risks and may not produce the results we expect, which could adversely affect our business, financial condition and results of operations.***

We believe our strategic investments, alliances and joint ventures are an important component of our growth strategy and play an important role in our long-term success. See section titled "Our Business—Growth Strategy" on page 136. We have made investments in certain exchanges and clearing corporations which are in different stages of implementation. These investments may not be profitable as they would be subject to economic environment, market conditions, competition and other factors. Our holdings and sale of interests in such entities may be subject to regulatory approval and we may be required to, among other things, from time to time divest or reduce our investment holdings in our investee companies. For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operation" on page 365. We own 26.0% of MCX-SX CCL. We have also established joint ventures, such as the Dubai Gold and Commodities Exchange DMCC ("DGCX") in which we currently have a 5.0% interest in its equity share capital.

We may continue to enter into alliances or other arrangements in the future. We may have difficulty assessing our prospective joint venture partners or alliances, the risks in such businesses, or placing an accurate valuation on those opportunities. We may also be unable to negotiate terms commercially favourable to us or complete the transactions at all. Entering into joint ventures and alliances and making strategic investments entails risks, including difficulties in developing and expanding the business of newly formed joint ventures, exercising influence over the activities of joint ventures in which we do not have a controlling interest and potential conflicts with our joint venture or alliance partners. We cannot assure you that any such strategic initiatives that we have undertaken, or may undertake in the future, will be successful or profitable. We had previously invested in a joint venture, Safal National Exchange of India Limited, which permanently ceased operations during the fiscal 2009. Pursuant to the settlement agreement dated June 25, 2010 to terminate the joint venture, Mother Dairy Fruit & Vegetable Private Limited ("MDFVL") holds 100% of the equity share capital of Safal National Exchange of India Limited with effect from December 29, 2010. For more details, please see "Financial Statements". Further, we cannot assure you that we will be able to achieve the intended synergies with the entities with which we form alliances. In addition, our ability to realise the value of our investments will be dependent on market conditions, availability of buyers and the timing of the completion of our intended disposal of such investments. We have entered into alliances with certain other exchanges to use prices of certain commodities quoted on such exchanges to settle futures contracts offered on our Exchange. Any disruption in the operation of these exchanges or the termination of, or expiry and inability to renew our agreements with these sections may have an adverse effect on our operations. For example, our agreement with LIFFE Administration and Management is currently under renewal. Our participation in such strategic initiatives may also strain our resources and may limit our ability to pursue other strategic and business initiatives, which may have an adverse effect on our business, financial condition and results of operations.

8. ***We have made investments in form of equity share capital and warrants in MCX-SX. In the event of an adverse outcome in the outstanding litigation between MCX-SX and SEBI in relation to the application for diversification of trading operations, we may not be able to benefit from our investments as anticipated by us.***

In fiscal 2009, our Company had made an investment of ₹ 688.5 million in MCX-SX. Subsequently, with the objective of complying with the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges) Regulations, 2006 ("MIMPS Regulations"), MCX-SX had implemented a scheme of reduction of capital (the "Scheme") with the sanction of the Bombay High Court. Pursuant to the Scheme, our shareholding in MCX-SX was reduced and 617,135,000 equity shares of Re. 1 each held by our Company in MCX-SX were cancelled and 617,135,000 warrants were allotted to the Company resulting in the reduction of the existing shareholding of the Company to 5% of the outstanding equity share capital of MCX-SX. The warrants are also freely transferable by endorsement and delivery and do not carry voting or dividend rights. The Company cannot increase, at any point of time, their shareholding in MCX-SX beyond permissible limits under MIMPS Regulations. Each warrant entitles the holder of the warrant to subscribe to one equity share of MCX-SX at a price of Re. 1 per equity share, subject to the condition that the Company's shareholding in MCX-SX would not exceed 5% of the equity share capital of MCX-SX. For further details, see section titled "Other Companies" on page 241.

MCX-SX has an outstanding litigation against SEBI in relation to the compliance with MIMPS Regulations pursuant to the Scheme. For further details, see section titled "Other Companies – Litigation involving MCX-SX" on page 242.

MCX-SX has filed a writ petition dated October 29, 2010 before the Bombay High Court challenging the SEBI order dated September 23, 2010. Pursuant to the order dated October 14, 2011, the Bombay High Court has asked SEBI to amicably resolve the matter and re-look at the application. In the event the final outcome of the dispute is not in its favour, MCX-SX may not be able to undertake the proposed activities including dealing in interest rate derivatives, equity, futures and options on equity and wholesale debt segments and all other segments resulting in lower operational revenue and thus lower returns to the Company. Consequently, our return on investments and profitability from any sale of equity shares held by us in MCX-SX or our ability to transfer warrants or convert warrants into equity shares may be adversely and materially affected.

9. ***Our clearing house operations expose us to credit risks with respect to our clearing members.***

Our Company performs clearing house operations, which require significant ongoing expenditure and exposes us to various risks. As a clearing house, we guarantee the settlement of trading done through our Exchange. As a result, we are exposed to significant credit risks of our clearing members. Parties to a settlement may default on their obligations for various reasons beyond our control. We may incur a loss if a member defaults on its obligations to us and its margin and security deposits are insufficient to meet its obligations.

For example, since commencing operations, our Company has experienced one instance of credit risk arising from mark-to-market losses experienced by a member due to the inability of such member to settle a trade, and the amount due from the member, ₹ 20,450,000, was later fully recovered.

Although we have risk management related policies and procedures in place, these policies and procedures may not be sufficient to detect problems or prevent defaults. Further, we cannot assure you that our clearing arrangements will be satisfactory to our members or will not require additional substantial system modifications in the future. If the various measures to cover any default and maintain liquidity are not sufficient to protect us from a default or if significant defaults take place, our business and results of operations may be adversely affected.

10. ***This Offer is an offer for sale and does not entail an issuance of Equity Shares by our Company and consequently, we will not receive any proceeds from this Offer.***

This Offer is being made by Financial Technologies (India) Limited, State Bank of India (Equity), GLG Financials Fund, Alexandra Mauritius Limited, Corporation Bank, Bank of Baroda and ICICI Lombard General Insurance Company Limited (the "Selling Shareholders") and there is no issue of Equity Shares by our Company. Accordingly, our Company will not receive any portion of the funds raised by the sale of Equity Shares in this Offer. The primary objects of the Offer are to achieve the benefits of listing of our Equity Shares and carry out the divestment of Equity Shares by the Selling Shareholders. We shall bear costs in relation to the listing fees for our Equity Shares, but we will not receive any proceeds from the sale of the Equity Shares by the Selling Shareholders. Other than the listing fees, all costs and expenses related to the Offer will be borne by the Selling Shareholders in proportion to the number of Equity Shares offered by each of them.

11. ***Our auditors have drawn attention to certain matters of emphasis in their examination report on our standalone and consolidated financial statements for the nine months ended December 31, 2011 and the fiscals 2011, 2010, 2009, 2008 and 2007. Further, they have disclosed in their examination report as included in the section titled "Financial Statements" on page 247 of this Red Herring Prospectus on our standalone financial statements for fiscals 2008 and 2007 certain qualifications which do not require any corrective adjustment in the financial information.***

Our auditors have highlighted certain matters of emphasis in their examination report on our standalone and consolidated financial statements for the nine months ended December 31, 2011 and the fiscals 2011, 2010, 2009, 2008 and 2007 in relation to matters that have been disclosed under risk factors 12 and 22 below.

Our auditors have also disclosed in their examination report on our standalone financial statements, certain qualifications which did not require any adjustment for the fiscals 2008 and 2007 on certain matters relating to delay in deposit of certain service tax dues. For further details, see Note II.1 in Annexure IV (1) and (2) to our restated standalone financial statements included in this Red Herring Prospectus.

Although we believe that we have been able to resolve some of these issues, others are pending resolution for reasons beyond our control, if such matters of emphasis are highlighted or are contained in future audit reports, the price of our Equity Shares may be adversely affected.

12. ***Any adverse decision by the FMC in connection with the investor protection fund required to be maintained by the Company, could adversely affect our results of operations.***

During the fiscal 2007, we received guidelines from FMC on the investor protection fund (the "IPF") which directed us to, among other things, create a trust by January 1, 2008 to administer the IPF and in the interim, to keep all the penalties imposed and collected by our Exchange for non-compliances (net of recoveries towards administrative expenses), in a separate bank account. During the current fiscal 2012, FMC issued revised guidelines specifying the formation and operations of IPF Trust at the earliest. We have, from time to time, made several representations to FMC requesting for modifications of these guidelines in light of prevalent practices in this regard. In our representations to FMC, we have, among other things, requested FMC to allow us to retain all penalties imposed by our Exchange for non compliance by our members. We are currently awaiting the decision of FMC on the IPF. In the meantime, we credit all FMC prescribed penalties that we impose on our members into the IPF, while we credit all other penalties we had specifically imposed into our profit and loss account. At the same time, an amount equivalent to the amount credited into our profit and loss account has been shown as contingent liability in our accounts. As of December 31, 2011, we have provided for a contingent liability of ₹ 181.14 million with respect to amounts we have credited into our profit and loss account, of which ₹ 38.85 million was credited during the nine months ended December 31, 2011. Any unfavourable decision by FMC on the IPF could cause our contingent liability to materialise, which could adversely affect our results of operations.

13. ***We are dependent on certain material contracts with our Promoter relating to the technology we use and on third party vendors for services that are important to our business. Any interruption in, or cessation of an important supply or service by our Promoter or any third party could have an adverse effect on our business and operations.***

Our business is significantly dependent on the technology we use. Under various contracts we have entered into with our Promoter, FTIL, we are entitled to use FTIL's exchange technology framework and proprietary software which forms the core of our electronic trading platform. We have also entered into agreements with FTIL to supply customised software for our integrated online trading system, clearing and settlement system and other related services, including maintenance, upgrade and modification of software and systems. See "History and Certain Corporate Matters — Agreements with our Promoter/ Promoter Group" on page 172 for details on our agreements with FTIL. Our ability to continue to use the technology licensed from FTIL is essential to our business. The premature termination of such agreements or the loss of the ability to use such technology due to any reason would have an adverse impact on our business and operations.

We are also dependent on a number of vendors, such as very small aperture terminal ("VSAT") providers, telephone companies, internet service providers, data processors and software and hardware vendors, as well as warehouses, banks and quality certification companies, for important elements of our trading, clearing and other systems, communications and networking equipment, computer hardware and software and related support and maintenance, as well as other functions necessary for the operation of our business. We cannot assure you that any of these providers will be able to continue to provide these services in an efficient, cost-effective manner or that they will be able to adequately expand their services to meet our needs. Any interruption in or the cessation of service by any of our service provider and our members' inability to make alternative arrangements in a timely manner, or at all, could have an adverse effect on our business and operations.

14. ***We are subject to certain risks relating to the operation of an electronic trading platform and we may be unable to keep up with rapid technological changes. Any failure to keep up with industry standards in technology and respond to participant preferences could cause our market share to decline, which could have an adverse effect on our business and operations.***

Exchange markets are characterised by rapid technological change, change in usage patterns, change in client preferences, frequent product and service introductions and the emergence of new industry standards and practices. These changes could render our existing technology uncompetitive or obsolete. As all trading on our Exchange is conducted exclusively on an electronic basis, we are heavily dependent on our information technology system and the technology we use for our electronic trading platform.

In the last three fiscals, we have experienced six instances of technical problems during trading hours. These technical problems were due to issues with, among other things, our network, hardware and software that caused trading halts ranging between 30 minutes and 90 minutes, during which our team detected and fixed the error and restarted the trading system. Any future instances of technical problems may adversely affect our business and operations.

Increasing the trading volumes on our trading platforms, as well as our ability to continue to grow our business, will depend, in part, on our ability to:

- increase the number of devices, such as trader work stations and other connectivity devices capable of sending orders to our electronic trading platform;
- enhance our existing services and maintain and improve the functionality and reliability of our electronic platform, in particular, reducing network downtime or disruptions;
- develop or license new technologies that address the increasingly sophisticated and varied needs of our members;

- increase capacity to cope with increasing trading volume on our online platform during peak trading hours or unusual market volatility;

- anticipate and respond to technological advances or service offerings by competitors and emerging industry practices on a cost-effective and timely basis;

- continue to attract and retain highly skilled technology staff to maintain and develop our existing technology and to adapt to and manage emerging technologies;

- develop new services and technology that address the increasingly sophisticated and varied needs of our existing and prospective clients; and

- respond to failure of systems due to power or telecommunications failure, acts of God, war or terrorism, human error, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses, acts of vandalism or similar events.

We cannot assure you that we will be able to successfully implement new technologies or adapt our proprietary technology to our members' requirements or emerging industry standards in a timely and cost-effective manner, or at all. Any failure to keep up with industry standards in technology and respond to participant preferences could cause our market share to decline, which could have an adverse effect on our business and results of operations.

15. ***Our operations are dependent on computer and communications systems. Any failures or capacity constraints that causes an interruption to our services or decrease our responsiveness could harm our reputation and have an adverse effect on our business and results of operations.***

We are dependent on the capacity, reliability and security of the computer and communications systems and software supporting our operations. We receive and process all of our trade orders through electronic means. The main components of our core exchange platform, including computer systems, networks and servers are located in Mumbai and our back up facilities are located in Navi Mumbai. Our failure to operate, monitor or maintain our computer systems and network services could have an adverse effect on our reputation, business and results of operations. Computer and communications systems failure may cause one or more of the following:

- suspension of trading;

- failed execution of customer orders and failed settlement by members to whom we provide trade confirmation or clearing services;

- unanticipated disruptions in service to members;

- slower response times and delays in our members' trade execution and processing;

- decreased customer satisfaction;

- incomplete or inaccurate accounting, recording or processing of trades;

- financial losses;

- security breaches;

- litigation or other customer claims; and

- regulatory sanctions.

We could experience system failures due to power or telecommunications failure, war or terrorism, human error, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses, acts of vandalism or similar events. Our disaster recovery plan may prove to be ineffective. If any one or more of these situations were to arise, they could result in damage to our reputation, participant dissatisfaction with our electronic platform, prompting participants to trade elsewhere, or exposure to litigation or regulatory sanctions. As a consequence, our business and results of operations may be adversely affected.

Heavy trading on our online platform during peak trading times or at times of unusual market volatility could cause our systems to operate slowly or even to fail for periods of time. For example, we have experienced interruptions with network connectivity through VSATs due to problems with our VSAT hub. We have also experienced interruptions with network connectivity due to connectivity issues experienced by our members and their service providers. These interruptions may have adversely affected trading volumes on our Exchange. We cannot assure you that our estimates of future trading volume will be accurate or that our systems will always be able to accommodate actual trading volume without failure or degradation of performance. Further, we cannot assure you that we will not experience system failures, outages or interruptions on our electronic trading platform. Any failure that causes an interruption to our services or decrease our responsiveness, including failures caused by customer error or misuse of our systems, could harm our reputation and have an adverse effect on our business and results of operations.

16. ***Our networks and those of our third party service providers may be vulnerable to security risks, which could result in wrongful use of our information or result in interruptions in our operations that may cause us to lose customers, face unforeseen liabilities and experience a decline in trading volume.***

We expect the secure transmission of confidential information over public networks to continue to be a critical element of our operations. Our network may be vulnerable to unauthorised access, computer viruses and other security problems. Persons who circumvent security measures could wrongfully use our information or cause interruptions or malfunctions in our operations or expose us to third party liabilities, which could have an adverse effect on our business, financial condition and results of operations. We may also be required to expend significant resources to protect against the threat of security breaches or to alleviate problems, including reputational harm and litigation, caused by any breaches. Although we intend to continue to implement industry-standard security measures such our ISO/IEC 27001:2005 certified measures, these measures may prove to be inadequate and we may continue to encounter wrongful use of our information or interruptions in our operations that may cause us to lose customers, face unforeseen liabilities and experience a decline in trading volume.

17. ***We could be harmed by member misconduct that is difficult to detect. Any such incidences could result in regulatory sanctions, financial losses and reputational harm.***

We are exposed to the risk of our members and their constituents engaging in fraud or other misconduct. It is not always possible to detect misconduct, and the precautions we take to prevent and detect such activity may not be effective in all cases. We have in the past received communications from FMC with respect to our members' uneconomic or abnormal trades, which are set out below for the fiscals 2012 (until the date of this RHP), 2011, 2010 and 2009.

Date	FMC Correspondence	FMC Allegation	Action Taken by Us	Implications on Us
July 17, 2008	Order concerning M/s Altos Advisory Services Pvt. Ltd.	Member entered into illegal forward contracts, organized and controlled illegal trading in forward contracts and ran a parallel trading activity in illegal forward contracts.	We suspended the member as directed by the FMC order for a period of three years.	No further implications.
June 4, 2009	Letter No. 1/1/2009-	Member entered into	We sent a	No further

Date	FMC Correspondence	FMC Allegation	Action Taken by Us	Implications on Us
	TD/MCX	two abnormal trades of Coriander contracts.	warning to the offending member.	implications.
August 19, 2009	Letter No. 4/1/2005/M&S/MCX-II	Member entered into non-genuine trades in Carbon Credits (Certified Emission Reduction), Chana Dal, Tumeric and Almond contracts.	We believed the trades were normal and sent a reply to the FMC stating the same.	No further implications.
October 12, 2010	Letter No. 6/3/2007-MKT-II	Member entered into abnormal trades of Cardamom contracts.	We believed the trades were normal and we confirmed this to FMC accordingly	No further implications.
January 12, 2011	Letter No. 4/3/2010/FMC/MCX/M&S-II	Member entered into abnormal trades of Cardamom contracts.	We imposed a penalty of ₹ 100,000 on the offending member and sent a confirmation letter to the FMC.	No further implications.
March 7, 2011	Letter No. 4/2/2011-FMC/MCX M&S-II	Certain members entered into self-trades of Silver contracts.	We believed the trades were normal and sent a reply to the FMC stating the same.	No further implications.
July 26, 2011	Order concerning M/s Rank Commodities Pvt. Ltd.	Member engaged in cash dealing, through non-banking channels, cheque discounting, offering PMS, misusing client funds for self, undertaking trading activities for clients who were not registered with our Exchange.	We suspended the member as directed by the FMC order for a period of two years.	No further implications.
January 23, 2012	Order concerning M/s Shresth Commodities & Financial Services Pvt. Ltd.	Member carried out transfer of funds to client accounts from non-client accounts amounting to third party funding for clients,	We suspended the member as directed by the FMC order for a period of six	No further implications.

Date	FMC Correspondence	FMC Allegation	Action Taken by Us	Implications on Us
		raising funds from different entities and reflecting so in various accounts to meet Exchange obligations, MTM funding for most of the top clients who have traded in Guar Gum & Guar Seed contracts.	months.	
January 23, 2012	Order concerning M/s Vinod Commodities Ltd.	Member carried out transfer of funds to client accounts from non-client accounts amounting to third party funding for clients, raising funds from different entities and reflecting so in member's business account and transferring the funds into client account and the Exchange settlement account to meet Exchange obligations, allowing clients to trade without taking initial margin money.	We suspended the member as directed by the FMC order for a period of one year.	No further implications.

As of date, FMC has not initiated any proceedings against us with respect to member misconduct. However, any such incidences could result in regulatory sanctions, financial losses and reputational harm.

18. ***We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. Such employee misconduct include binding us to transactions that exceed authorised limits that present unacceptable risks to us, hiding unauthorised or unsuccessful activities and improper use of confidential information. It is not always possible to detect or deter misconduct, and the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in such case, our business, financial condition, results of operations and reputation could be adversely affected.

19. ***We may not be able to sustain effective implementation of our business and growth strategies.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We may not be able to execute our strategies in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long-term business outlook.

20. ***We have in the past entered into related party transactions and may continue to do so in the future.***

We have entered into various transactions with related parties, the five most material in terms of amount are set out below for each of the nine months ended December 31, 2011 and the fiscals 2011, 2010, 2009, 2008 and 2007:

Particulars	Nine Months Ended December 31, 2011	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Gross Value (In ₹ million)	888.55	1,090.00	897.21	2,074.19	663.11	987.90
Top five entities	FTIL, MCX ESOP Trust and SME*	FTIL, MCX ESOP Trust, MCX-SX CCL, Bourse Africa Limited and Safal	FTIL, MCX-SX, MCX CCL, MCX-SX CCL and MCX ESOP Trust	FTIL, MCX-SX, NBHC, NSEL and TAER	FTIL, Safal, SMX, NBHC and FTKMC	FTIL, GBOT, NBHC, Safal and NSEL

* *Transactions with these three entities amount to 100% of the related party transactions for the nine month ended December 31,2011.*

While we believe that all such transactions have been conducted on an arms-length basis and contain commercially reasonable terms, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For more details on our related party transactions, see “Related Party Transactions” on page 245. There can be no assurance that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and/or will not have an adverse effect on our business and results of operations.

21. ***Our costs comprise fixed and semi-fixed costs which are not dependent directly on the trading volume on our Exchange. If our revenues decline and we are unable to reduce such costs, our profitability will be adversely affected.***

Our costs include software support charges, personnel costs, depreciation, license fees, communication expenses, shared business support charges, rent and service charges, electricity charges, insurance, and contribution to IPF, which in aggregate accounted for 72.7%, 68.8%, 68.1%, 70.1%, 60.5%, and 55.9% of our total expenditure for the nine months ended December 31, 2011 and the fiscals 2011, 2010, 2009, 2008 and 2007, respectively.

Our costs consist of (a) fixed and semi-fixed costs, which are not dependent directly on the trading volume on our Exchange, and (b) variable costs, which are dependent on the trading volume. We believe our significant fixed and semi-fixed costs consist of software support charges, personnel costs, depreciation, license fees, communication expenses, shared business support charges, rent and service charges, electricity charges, insurance, and contribution to IPF. A portion of certain of these costs are variable, and difficult to quantify with accuracy. We base our expectations of our cost structure on historical and expected levels of demand for our products and services as well as our fixed operating infrastructure, such as computer hardware and software, hosting facilities and security and staffing levels. If the demand for our products and services declines and, as a result, our revenues decline, we may not be able to reduce our costs in a timely manner, or at all. In such event, our profitability may be adversely affected.

22. ***Any adverse decision by FMC in connection with the requirements of the settlement guarantee fund or the treatment of interest earned on our members' deposits may affect our results of operations.***

During the fiscal 2007, we received directions from FMC that all monies we have earmarked to a settlement guarantee fund (the "SGF") will need to be maintained in a separate account. Further, FMC directed that income earned on SGF contributions to our Company should be credited to the SGF and not be used for any other purposes other than for meeting the settlement obligations of our members. During the fiscal 2009, we set aside an amount of ₹ 10.00 million as corpus of our Exchange's SGF and transferred an amount of ₹ 14.98 million (comprising the corpus and imputed interest on this amount since trading commenced on our Exchange) from our general reserve into a settlement guarantee fund account ("SGF Account"). We also appropriated an amount of ₹ 1.24 million from our profit and loss account, being interest on fixed deposit for the nine months ended December 31, 2011. As of December 31, 2011, the SGF Account is represented by bank fixed deposits of ₹ 17.29 million plus interest accrued on this amount of ₹ 1.24 million.

We have made various representations in connection with FMC's direction, on the maintenance of SGF and the treatment of interest earned on the amount set aside for this purpose. We are awaiting further clarification or a decision in connection with our representations to FMC on the SGF. We may be required to amend our Exchange's by-laws and/or make suitable provisions in our financial statements to comply with FMC's future clarification or decision. In addition, we represented to FMC that guarantee funds such as the SGF are separate and distinct from deposits and margins placed by our members. We currently credit the interest we earn on our members' deposits and margins to our profit and loss account. While we believe our current practice is consistent with international practices in our industry, any unfavourable decision of FMC in connection with these deposits could have an impact on our ability to recognise interests on such deposits as our income, thereby affecting results of operations.

23. ***We and our shareholders are subject to certain restrictions under the Equity Structure Guidelines. Any failure to comply with the requirements of the Equity Structure Guidelines could adversely affect our operations and profitability.***

We and our shareholders are subject to, and will have to continuously comply with, the Equity Structure Guidelines, which impose certain restrictions on us and our shareholders. These include restrictions in relation to minimum paid up equity capital and net worth requirements applicable to our Company and minimum and maximum limits of shareholding for certain identified classes of shareholders.

We received approvals dated April 22, 2010, June 18, 2010, November 22, 2011 and January 31, 2012 from FMC, which waived and/or relaxed certain requirements prescribed under the Equity Structure Guidelines for our Company in connection with the Offer. For further details in relation to the requirements under the Equity Structure Guidelines and the approvals, see "Regulations and Policies" on page 162.

We cannot assure you that our Company will be able to comply with all the requirements to which we are subject, within the prescribed time, or at all, or be able to obtain further waivers or relaxations, if required in a timely manner, or at all, failing which our business and operations could be adversely affected.

24. ***The commodities trading industry has been and continues to be subject to strict regulatory requirements and scrutiny, and we face the risk of changes to laws, regulations or governmental policies or taxation that may diminish trading volumes or have an adverse effect on the way the commodity futures exchanges conduct their business and the results of their operations.***

The commodity futures exchange industry is regulated by FMC and the Ministry of Consumer Affairs, Government of India pursuant to the Forward Contracts (Regulation) Act, 1952. All aspects of our Company's operations are subject to oversight and regulation by the FMC, including:

- the terms and specifications of each commodity futures contract launched on our Exchange;

- our risk management procedures, including mandatory margin requirements and open position limits; and
- our record keeping and reporting procedures.

Such regulation may restrict the scope of certain operations that our Company may undertake or subject our Company to certain additional statutory and regulatory costs. For example, in an order dated May 26, 2009, FMC had, among other things, directed that no new sugar contracts be launched. FMC had, in the past, issued orders suspending the trading of certain commodities such as wheat, rice, *urad*, *tur*, *chana*, soy oil, rubber and potato of which wheat, *chana*, soy oil, rubber and potato have been subsequently allowed for futures trading.

In addition, the Government of India places restrictions on the type of commodity futures contracts that can be traded, and the type of investors that can participate in investment activities, in India. Further, trading in commodity derivatives by institutional investors and foreign institutional investors are currently not permitted. FMC and the Ministry of Consumer Affairs may introduce changes in laws, regulations or governmental policies which could have an adverse effect on the way commodity futures exchanges conduct their business. New legislation, regulations or enforcement may require our Company to allocate more resources to regulatory compliance and oversight, impede our ability to operate and grow our business, which would adversely affect our business, financial condition and results of operations.

25. ***Our compliance and risk management methods might be ineffective and may result in outcomes that could adversely affect our reputation, financial condition and results of operations.***

The Government has broad powers to supersede our Board of Directors and suspend or revoke our approval to operate as a national commodity futures exchange. Our ability to comply with applicable laws and regulations is largely dependent on our establishment and maintenance of compliance, audit and reporting systems, as well as our ability to attract and retain qualified compliance and other risk management personnel. We cannot assure you that these systems and procedures are fully effective. We face the risk of significant intervention by regulatory authorities, including extensive examination and surveillance activity. In the case of non-compliance or alleged non-compliance with applicable laws or regulations, we could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties or civil lawsuits, including by customers, for damages, which can be significant. Any of these outcomes could adversely affect our reputation, financial condition and results of operations. In extreme cases, these outcomes could adversely affect our ability to conduct our business.

In addition, our policies and procedures to identify, monitor and manage our risks may not be fully effective. Some of our risk management methods depend upon evaluation of information regarding markets, customers or other matters that are publicly available or otherwise accessible by us. That information may not always be accurate, complete, up-to-date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to be recorded properly and verification of a large number of transactions and events. We cannot assure you that our policies and procedures will always be effective or that we will always be successful in monitoring or evaluating the risk to which we are or may be exposed, which could adversely affect our ability to conduct our business.

26. ***We have issued Equity Shares to FTIL as consideration for purchase of software and such software was not independently valued and we cannot assure you that the value of the Equity Shares issued to FTIL was commensurate with the value of the purchased software.***

We issued an aggregate 15,000,000 Equity Shares of ₹ 10 each to FTIL in September 2003 and March 2004 as consideration for our purchase of software from FTIL that we require for the running of our Exchange. For more details see "History and Certain Corporate Matters — Agreements with our Promoter/Promoter Group" on page 172. We did not independently value the software at its time of purchase. Although we have complied with AS 26 (Intangible Assets) prescribed by the Institute of Chartered Accountants of India with respect to the accounting of the software purchased, we cannot assure you that the value of the equity shares issued to FTIL was commensurate with the value of the purchased software.

27. ***Our inability to renew or maintain our statutory and regulatory permissions and approvals in connection with trading of commodities and operation of our business would adversely affect our operations and profitability.***

We are required to obtain and maintain various statutory and regulatory permissions and approvals for the trading of commodities on our exchange and operating our business. In the future, we will be required to renew such permissions and approvals and obtain new permissions and approvals for trading of commodities. While we believe that we will be able to renew or obtain such permissions and approvals as and when required, there can be no assurance that the relevant authorities will issue any such permissions or approvals in the timeframe anticipated by us or at all. Failure by us to renew, maintain or obtain the required permissions or approvals may result in the interruption of the trading of commodities and may subsequently have a material adverse effect on our business, financial condition and results of operations. See "Licenses and Approvals" on page 406.

28. ***We depend on our executive officers and other key personnel, and our business may be adversely affected if we fail to retain these professionals or attract new ones.***

Our future success depends in large part upon the continued service of our executive officers, as well as various key management, technical and trading operations personnel. Some of these individuals have significant experience in the commodities trading industry and financial services markets and possess skills and understanding of how various businesses in our industry operate. The loss of service of our executive officers and key managerial personnel could have an adverse effect on our business, financial condition and results of operations.

Our future success also depends, in significant part, upon our ability to continue to recruit and retain highly skilled and specialised individuals as employees. The level of competition in our industry for people with these skills is intense. If any of our key personnel or other professionals were to leave, we cannot assure you that we would be able to replace these key personnel in a timely manner. Significant losses of key personnel, particularly to our competitors, could have an adverse effect on our business, financial condition and results of operations.

29. ***We are subject to significant risks of litigation and any adverse resolution of any future lawsuit or claim against us could have an adverse effect on our business, financial condition and results of operations.***

Many aspects of our business involve substantial risks of litigation and consequently, liability. For example, dissatisfied members could make claims regarding quality of trade execution, improperly settled trades, improper or failed delivery of commodities, mismanagement, provision of false information or fraud. We may become subject to these claims as the result of failures or malfunctions of systems and services provided by us. In addition, we may be made a party to disputes between members trading on our Exchange platform, such as in disputes over terms of a trade. We could incur significant legal expenses defending claims, even those without merit. For a discussion on our current litigation, see "Outstanding Litigation" on page 391. In addition, an adverse resolution of any future lawsuit or claim against us could have an adverse effect on our business, financial condition and results of operations.

30. ***We may not be able to protect our intellectual property rights, which may harm our business. Further, we have not obtained certain registrations in connection with protection of our intellectual property including trademarks. Any failure to protect our intellectual property rights could adversely affect our competitive position and business.***

We rely primarily on trade secret, copyright, service mark, trademark and patent law and contractual protections to protect our intellectual property. Use of our brand name or logo by third parties could adversely affect our reputation which could in turn adversely affect our financial performance and the market price of the Equity Shares. We have registered trademarks for "MCX – India's No. 1 Commodity

Exchange", "MCX – Trade with Trust" and "MCX – Metals & Energy", as well as copyright for some of our contract specifications for certain commodity futures traded on our Exchange. Our trademark and copyright applications may not be allowed or competitors may challenge the validity or scope of our intellectual property. In addition, notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise obtain and use our proprietary technology without authorisation or otherwise infringe on our rights. Intellectual property rights and our ability to enforce them may be unavailable or limited in some circumstances. Further, contract specifications of commodity futures contracts on all commodity exchanges in India are regulated and approved by FMC, we cannot assure you that our competitors will not obtain the right to offer trading in commodity futures with contract specifications similar to ours, despite the copyright we own of our contract specifications.

Further, we currently have not obtained certain registrations in connection with protection of our intellectual property. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and profitability. If any of our unregistered trademark or propriety rights are registered by a third party, we may not be able to make use of such trademark or propriety rights in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with our Company. Until such time that we receive registered trademarks, we can only seek relief against "passing off". Accordingly, we may be required to invest significant resources in developing a new brand.

If we fail to successfully obtain or enforce intellectual property rights, our competitive position could suffer, which could harm our business. In addition, intellectual property protection obtained by us may be inadequate and/or we may be unable to detect any unauthorised use or that we may need to undertake expensive and time-consuming litigation to protect our intellectual property rights and this may have an adverse effect on our competitive position and business.

31. ***Our Promoter, FTIL, will continue to have significant shareholding in our Company after this Offer and it may influence our material policies, especially on matters which require special resolution, in a manner that could conflict with the interests of our Company's other shareholders.***

Prior to this Offer, our Promoter, FTIL, owned 31.2% of our Company's equity share capital. Following this Offer, FTIL may own approximately 26% of our Company's post-Offer Equity Share capital. In accordance with the Guidelines on the Equity Structure of the Nationwide Multi Commodity Exchanges after five years of operation (F.No. 12/1/2007-IT dated July 29, 2009) (the "Equity Structure Guidelines"), the shareholding at the time of recognition as a national commodity exchange, of original promoters or investors is limited to a maximum of 26% and for any shareholder other than the original promoters or investors, is limited to 15% or less. As a result of FTIL's shareholding in our Company, it may retain certain influence on our business including matters relating to any sale of all or substantially all of our assets. This influence could delay, defer, or prevent a change in control, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control even if it is in our best interest. Also, so long as FTIL continues to have such significant shareholding in our Company, it may influence our material policies, especially on matters which require special resolution, in a manner that could conflict with the interests of our Company's other shareholders.

32. ***Our Promoter and Directors may have a conflict of interest with us as they own and operate in related areas of business and if our Promoter and Directors do not favour us in the event of any conflict it could have an adverse effect on our business or prospects.***

Our Promoter, FTIL, and some of our Directors have interests in entities that are involved in businesses that offer products and services that are similar to those offered by our Company. FTIL and some of our Directors have significant interests in entities that operate derivatives, foreign currency and commodities future and spot exchanges in India and abroad. A list of our Directors and Promoters with interests in entities that may present conflicts of interest is set out below:

Group Company	Promoter of Group Company	Interest of Promoter of GroupCompany	Common Directors	Common Pursuits
Singapore Mercantile Exchange Pte Limited (SMX)	FTSPL, wholly owned sub of FTIL	100% (FTSPL)	1. Jignesh P. Shah 2. V. Hariharan 3. Joseph Massey	SMX operates a commodity exchange in Singapore as regulated by Monetary Authority of Singapore.
Bahrain Financial Exchange BSC (Closed) (BFX)	FTGIPL (wholly owned sub of FTIL) & FTME (wholly owned sub of FTIL)	87.02% (FTGIPL), 12.98% (FTME)	1. Jignesh P. Shah 2. Lambertus Rutten 3. Joseph Massey	BFX would be offering trading & clearing services in multiple asset classes including commodities, based at Bahrain, Middle East region. BFX is yet to commence commercial operations
Global Board of Trade Limited (GBOT)	FTIL	100%	1. Venkat Chary 2. Jignesh P. Shah	GBOT operates multi commodity exchange based at Mauritius, Africa
Dubai Gold and Commodities Exchange DMCC	FTIL	18.58%	1. Jignesh P. Shah 2. Joseph Massey	Operates commodity & currency exchange based in Dubai, Middle East
Bourse Africa Limited (BA)	FTGIPL, wholly owned sub of FTIL	74.00%	1. Jignesh P. Shah 2. Lambertus Rutten	BA will offer both derivatives & spot contracts in commodities catering to African region. And it is yet to commence operations

In addition, we have had, and will continue to have, business transactions with such entities. In case of any such conflict of interest, we cannot assure you that our Promoter or Directors would not favour the interest of such entities over us. We currently do not have any mechanism for addressing potential conflicts of interest with our Promoter or entities controlled by it or the relevant Directors. If our Promoter does not favour us in the event of any conflict, this could have an adverse effect on our business or prospects.

33. ***Our insurance coverage may not adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.***

We are insured for a number of the risks associated with our commodities futures business, such as bullion cover, money-in-transit, public liability, members' indemnity insurance and loss of certain assets. We also have a stock brokers' indemnity policy in relation to incomplete transactions, forgery and computer crimes, among other eventualities. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow could be adversely affected. For details of the insurance coverage taken by us see "Our Business—Insurance" on page 159.

34. ***We have certain contingent liabilities which may adversely affect our financial condition.***

As of December 31, 2011 the contingent liabilities of our Company that have not been provided for, are as set out in the table below:

Particulars	**Amount (₹ in million)**
Penalty income payable to investor protection fund	181.14
Claims against the Company not acknowledged as debt	6.75
Income tax demands against which the Company is appealing (including interest thereon)	16.95
Bank guarantee given	-
Total	204.84

If a significant portion of these liabilities materialise, it could have an adverse effect on our business, financial condition and results of operations. For further information on such contingent liabilities, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Annexure IV Schedule II Note 3 of our restated consolidated financial statements.

35. ***Certain of the Group Companies promoted by our Promoter have incurred losses during the last three fiscals.***

Certain of the Group Companies promoted by our Promoter have incurred losses during the last three fiscals (as per their respective standalone financial statements), as set forth below:

Name of Group Company	**Reporting Currency**	**Profit / (Loss) after tax**		
		Fiscal 2009	**Fiscal 2010**	**Fiscal 2011**
		(₹ in million)		
Atom Technologies Limited	INR	(122.86)	(133.67)	(182.07)
Bahrain Financial Exchange BSC (Closed)	BHD*	(50.80)	(213.99)	(340.27)
Boursa India Limited	INR	-	(0.07)	(0.03)
Bourse Africa Limited	USD*	(54.85)	(68.54)	(68.41)
Capricorn Fin-Tech Private Limited	AED*	(0.26)	(0.002)	(0.004)
Credit Market Services Limited	INR	(26.15)	(18.40)	(6.70)
Financial Technologies Communications Limited	INR	(0.80)	(7.64)	5.38
FT Group Investments Private Limited	USD*	0.81	9.14	(15.31)

Name of Group Company	Reporting Currency	Profit / (Loss) after tax		
		Fiscal 2009	Fiscal 2010	Fiscal 2011
		(₹ in million)		
FT Knowledge Management Company Limited	INR	(20.33)	(14.08)	11.13
Global Board of Trade Limited	USD*	89.16	(98.04)	(273.32)
ICX Platform (Pty) Limited	ZAR*	(7.56)	(0.45)	(7.33)
Knowledge Assets Private Limited	USD*	(0.38)	(0.50)	(0.23)
Riskraft Consulting Limited	INR	(22.58)	10.21	(3.80)
Singapore Mercantile Exchange Pte Limited	USD*	(298.07)	(312.82)	(485.65)
Singapore Mercantile Exchange Clearing Corporation Pte. Ltd.	USD*	0.82	17.48	(92.57)
Takshashila Academia of Economic Research Limited	INR	(7.66)	(8.55)	0.93
TickerPlant Limited	INR	(157.78)	(270.10)	(316.37)
Trans-Global Credit and Finance Limited	INR	(0.38)	(0.07)	(0.04)
Indian Energy Exchange Limited	INR	(34.77)	38.37	188.06
National Spot Exchange Limited	INR	47.54	(64.30)	26.07
Indian Bullion Market Association Limited	INR	(0.02)	(27.68)	6.33
IBS Forex Limited	INR	(0.41)	(1.76)	(0.72)
Financial Technologies Middle East, DMCC	AED*	(89.05)	(49.28)	(53.26)
Financial Technologies Singapore Pte Ltd.	USD*	-	(0.29)	(0.39)
Grameen Pragati Foundation	INR	(0.10)	0.06	0.06
BFX Clearing and Depository Corporation	BHD*	-	-	(40.58)
FT Projects Limited	INR	-	-	(0.15)
Financial Technologies Projects Private Limited, Mauritius	MUR*	-	-	(0.04)

Name of Group Company	Reporting Currency	Profit / (Loss) after tax		
		Calendar Year 2007	Calendar Year 2008	Calendar Year 2009
		(₹ in million)		
Dubai Gold and Commodities Exchange DMCC**	USD*	(277.45)	(342.03)	(428.39)

* *For entities with reporting currencies other than the INR, profit or loss has been translated using the average exchange rate for the relevant fiscal year. The USD to INR exchange rates used were 45.6148, 47.432 and 46.1259 for the fiscals 2011, 2010 and 2009, respectively, and 48.4259, 43.6079 and 41.3486 for the calendar years ended December 31, 2009, 2008 and 2007, respectively. The ZAR to INR exchange rates used were 6.3294, 6.0536 and 5.2357 for the fiscals 2011, 2010 and 2009, respectively. The AED to INR exchange rates used were 12.4166, 12.9105 and 12.5538 for the fiscals 2011, 2010 and 2009, respectively. The BHD to INR exchange rates used were 120.332, 125.211 and 121.528 for the fiscals 2011, 2010 and 2009, respectively. The MUR to INR exchange rates used were 1.4408, 1.4739 and 1.5033 for the fiscals 2011, 2010 and 2009, respectively.*

***Dubai Gold and Commodities Exchange DMCC ("DGCX") reports its financial results using the calendar year. The management of DGCX has informed the Company that the financial results for the calendar year ended December 31, 2010 have not been adopted by the board of directors of DGCX due to a pending agreement on a capital injection plan by the shareholders of DGCX. In order to put in place the capital injection plan, the Emirates Securities and Commodities Authority ("ESCA") has asked that a valuation of DGCX be conducted and such valuation is currently ongoing. Hence, the audited financial statements of DGCX for calendar year ended December 31, 2010 are not available.*

36. ***MCX-SX has suffered losses during the last three fiscals.***

MCX-SX, a company promoted by our Company along with FTIL and in which we or FTIL do not hold a controlling shareholding as of the date, has incurred losses during the last three fiscals (as per its standalone financial statements), as set forth below:

	Name	Profit / (Loss) after tax		
		Fiscal		
		2009	2010	2011
		(₹ in million)		
1.	MCX Stock Exchange Limited	(298.74)	(562.07)	(577.97)

37. ***Our Company has had negative net cash flows in the past and may do so in the future.***

Our Company has had negative cash flow for the following periods as set out below:

Summary of Negative Cash Flow				
Particulars	**Fiscal**			**Nine Months Ended December 31, 2011**
	2009	**2010**	**2011**	
	(₹ in million)			
Net cash generated from / (used in) operating activities	2,853.07	(918.73)	2,699.56	1,637.00
Net cash generated from / (used in) investing activities	(1,370.77)	(122.73)	(2,326.31)	(1,473.29)
Net cash generated from / (used in) financing activities	115.88	(238.53)	(238.07)	(295.93)
Net cash inflow / (outflow)	**1,598.18**	**(1,279.99)**	**135.18**	(132.22)

The negative cash flow was mainly on account of reduction of current liabilities, provisions for trade payables and working capital changes arising from settlement obligations in the normal course of our business during these periods. For further details in relation to the net cash flows in the preceding periods, see "Summary Financial Information", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 55, 247 and 365, respectively. We cannot assure you that our net cash flow will be positive in the future.

38. ***In the last 12 months, we have issued Equity Shares at a price which will be lower than the Offer Price.***

We have issued Equity Shares in the last 12 months at a price which will be lower than the Offer Price, the details of which are provided below:

Date of allotment of the Equity Shares	No. of Equity Shares	Name of person/entity	Issue Price (₹)	Face Value (₹)	Reasons for allotment
March 15, 2011	10,199,674	Shareholders of our Company	Nil	10	Bonus issue in the ratio of 1 Equity Share for every 4 Equity Shares held on the record date

For further details, see "Capital Structure" on page 80.

39. ***We do not own several properties used by us for our operations. Any termination of the relevant lease or leave and license agreements in connection with such properties or our failure to renew those agreements could adversely affect our operations.***

Currently, five of the six properties used by us for our operations are not owned by us. Further, the lease on one of these five properties is in the process of being renewed. Any termination of the lease or leave and licenses in connection with such properties which are not owned by us or our failure to renew the same and upon favourable conditions, in a timely manner or at all could adversely affect our operations.

40. ***BCCL holds approximately 2.2% of our paid-up equity share capital. For publicity material published in publications owned by BCCL, there may be a disclaimer that discloses BCCL's shareholding in our Company, which could reduce the benefit that we would otherwise receive from such publicity material.***

The Company had entered into a tripartite Share Subscription Agreement ("SSA") with Bennett, Coleman and Company Limited ("BCCL") and the Promoter on June 27, 2005 whereby BCCL had subscribed to 756,825 Equity Shares. Publicity material including, newspaper articles relating to us are published in various publications owned by BCCL from time to time. BCCL presently holds approximately 2.2% of our equity share capital. For publicity material published in publications owned by BCCL, there may be a disclaimer that discloses BCCL's shareholding in our Company. The presence of this disclaimer in such publicity material could reduce the benefit that we would have otherwise received from such publicity material.

41. ***We cannot guarantee the accuracy of certain market and industry data contained in this Red Herring Prospectus.***

Certain statistical data relating to the global and Indian economy and the commodities exchange industry have been extracted from reports prepared by independent third parties and data sourced from the websites of other commodity exchanges. Neither we nor the Book Running Lead Managers have independently verified the accuracy of the data derived from such reports. In addition, we have compiled certain industry information, including information with respect to our market position, especially with respect to commodity exchanges outside India based on data sourced from websites of these exchanges and based on information provided to us by third-party service providers. We make no representation as to the accuracy of such data and you should not place undue reliance on such data as a basis for making an investment in our Equity Shares.

42. ***Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors.***

While the Company has paid dividends since fiscal 2005, the amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we will have distributable funds in future periods. Our dividends paid for the nine months ended December 31, 2011 and the fiscals 2011, 2010, 2009, 2008 and 2007 are set out below:

	Fiscal					**Nine Months Ended December 31, 2011**
	2007	**2008**	**2009**	**2010**	**2011**	
Amount of Dividend (in ₹ million)	857.64	234.62	205.29	203.99	254.99	nil

External Risk Factors

43. ***The trading volume on our Exchange is dependent on volatility in commodity prices. Any reduction in the volatility of the prices of the commodities traded on our Exchange may result in a decrease in the trading volume on our Exchange, which could have an adverse effect on our business and results of operations.***

Participants in the trading of energy, metals and agricultural commodities in the futures markets pursue a range of trading strategies. Some participants trade to satisfy physical consumption needs, while others seek to hedge contractual price risks or take speculative or arbitrage positions, seeking returns from price movements in different markets. Trading volume is driven primarily by the degree of volatility and the magnitude and frequency of fluctuations in prices of commodities. Volatility increases the need to hedge contractual price risk and creates opportunities for speculative or arbitrage trading. Commodities markets historically have significant price volatility. We cannot predict whether this will continue, or for how long. In the absence of volatility, we could experience lower trading volumes, slower growth or even a decline in revenues.

Factors that are particularly likely to affect price volatility and price levels, and thus trading volumes, include:

- economic, political and market conditions in the United States, Europe, the Middle East, India and elsewhere in the world;
- weather conditions, including hurricanes and other significant weather events, that impact the production of commodities, mining of metals and, in the case of energy commodities, production, refining and distribution facilities for oil and natural gas;
- the volatility in the production volume of the commodities traded on our Exchange;
- war and acts of terrorism;
- legislative and regulatory changes;
- credit quality of market participants;
- the availability of capital;
- the level and volatility of interest rates;
- fluctuating exchange rates and currency values; and
- concerns over inflation.

Any one or more of the above factors may affect price volatility or price levels in the markets for commodity derivatives trading including our Exchange. Any reduction in trading activity could reduce liquidity, which may have an adverse effect on our business, financial condition and results of operations which in turn could further discourage existing and potential market participants and thus accelerate any decline in the level of trading activity in these markets. We cannot predict whether or when unfavourable conditions may arise in the future or, if they occur, how long or severely they will affect trading volumes. A significant decline in our trading volumes due to reduced volatility, lower prices or any other factor, could have an adverse effect on our transaction fees which, in turn, may adversely affect our business and results of operations.

44. ***After this Offer, the price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Offer, there has been no public market for our Equity Shares. The trading price of our Equity Shares may fluctuate after this Offer due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, volatility in the Indian and global securities markets, the performance of the Indian economy and significant developments in India's fiscal regime. Additionally, unlike other companies who list their equity shares on stock exchanges having nationwide trading terminals, we propose to list our Equity Shares on only one of these stock exchanges. This may affect the liquidity and trading market for these Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Offer, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Offer.

45. ***Future issuances or sales of our Equity Shares could significantly affect the trading price of our Equity Shares.***

Any future issuance of Equity Shares by us, the disposal of Equity Shares by any of our major shareholders or our issuance of stock options under the ESOP Schemes could dilute your shareholding, adversely affect the trading price of our Equity Shares or impact our ability to raise capital through another offering of securities. We have issued Equity Shares pursuant to a bonus issue at a price lower than the Offer Price in the last one year. See " — In the last 12 months, we have issued Equity Shares at a price that may be lower than the Offer Price". In addition, any perception by investors that such issuances or the sale of Equity Shares by major shareholders could significantly affect the trading price of our Equity Shares.

46. ***There is no guarantee that the Equity Shares will be listed on BSE in a timely manner or at all, and any trading closures at BSE may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been transferred by the Selling Shareholders pursuant to the Offer. There could be a failure or delay in listing the Equity Shares on BSE. Any failure or delay in obtaining the final approval for listing and trading from BSE would restrict your ability to transfer the Equity Shares.

47. ***Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessment of our financial condition. Our failure to successfully adopt IFRS could have an adverse effect on our stock price.***

Our financial statements, including the financial statements provided in this Red Herring Prospectus have been prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of, and convergence with, the IFRS pursuant to which certain public companies in India will be required to prepare their annual and interim financial statements under IFRS based on certain criteria, beginning with the fiscal period commencing April 1, 2011 in three phases. Due to the lack of clarity on the adoption of and convergence with IFRS and the lack of experience on which to form judgments on the implementation and application of IFRS, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS in the applicable timeframe could have an adverse effect on our stock price.

48. ***Our future results of operations are difficult to predict and are subject to fluctuations caused by various factors beyond our control.***

Our results of operations may fluctuate in the future due to a number of factors, many of which are beyond our control. As such, our results of operations during any fiscal and from period to period are difficult to predict and our historical results of operations in any particular period may not be an indication of our future performance. Our business and results of operations may be affected by the following factors:

- real and perceived supply and demand imbalances in the underlying commodities;
- economic downturns or stagnant economic growth in Indian and global markets;
- a decrease in demand for commodities and futures in the Indian and global markets;
- an increase in prevailing interest rates in India;
- competition from global and Indian commodity exchanges;
- fluctuations in the value of and returns from investment instruments in which we invest our surplus cash and funds;
- changes in government policies affecting the commodities and futures industry in India; and
- accidents or natural disasters.

Due to the above factors, you should not rely on past performance to predict our future performance. An occurrence of any of the above factors may adversely affect our business and results of operations, which may vary significantly from the expectations of our shareholders, market analysts and the investing public.

49. ***We are subject to risks arising from exchange rate fluctuations.***

While most of our expenditure, as well as our accounts as a whole, are denominated in Indian Rupees some of our expenditures are denominated in foreign currencies. As a result, fluctuations in foreign exchange rates, in particular the exchange rate of U.S. Dollars for Indian Rupees, may affect our results of operation. We do not currently hedge our foreign currency exchange rate exposure. For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations— Key Factors Affecting our Results of Operations" on page 366.

50. ***The continuation or recurrence of systemic events such as the global economic crisis between 2007 and early 2009, changes in economic policies and the political situation in India or globally may adversely affect our performance.***

Conditions outside India, such as slowdowns in the economic growth of other countries may adversely impact the growth of the Indian economy. The consequent slowdown in the Indian economy may adversely affect our business, including our ability to implement our business strategy and increase our activities in the commodity exchange industry.

The economic policies of the Government of India may change in response to any global economic crisis such as the economic downturn that occurred in the calendar years 2007 through early 2009. In particular, there may be changes to specific laws and policies affecting the industry and other policies affecting foreign investment in our business. Any significant shift or change in India's economic policies and regulations may disrupt economic conditions in India and this may in turn affect our business, financial condition and results of operations. Unstable internal and international political environments may also affect the economic performance of the commodity exchange industry, including us, in the short and long term. Our business, and the market price and liquidity of our Equity Shares, may be affected by reactionary changes in interest rates, changes in government policy, taxation and other political, economic or other developments in or affecting India on account of any changes in the global economic changes.

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries. Financial turmoil in Asia, the United States, Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. The Indian financial markets experienced the contagion effect of the volatility and turmoil in the global financial markets, which was evident from the sharp decline in the benchmark indices of SENSEX and NIFTY from their peak levels in early 2008 to the first quarter of 2009. As a consequence of the severe tightening of credit associated with that financial turmoil, many economies experienced periods of severe recession accompanied by a significant deterioration of consumer confidence and demand. Additionally, due to the conditions in the global and domestic financial markets, we cannot be certain that we would be able to raise capital, if needed or to the extent required, or that we will be able to undertake our business without any disruptions and we may be unable to implement our growth strategy. Any recurrence of such events may have an adverse effect on our business, financial condition and results of operations as well as the price of our Equity Shares.

51. ***The occurrence of natural or man-made disasters may adversely affect our business, financial condition and results of operations.***

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornados, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, may adversely affect our financial condition or results of operations. The potential impact of such events, natural disasters, the H5N1 "avian flu" virus or the H1N1 "swine flu" virus on our results of operations and financial position is highly speculative and would depend on numerous factors. We cannot assure prospective investors that such events will not occur in the future or that our business, financial condition and results of operations will not be adversely affected.

52. ***Political instability or changes in the government may adversely affect economic conditions in India generally, which may impact our business, financial results and results of operations.***

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian Governments have pursued policies of economic liberalisation and financial sector reforms. The current Government, which came to power in May 2009, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalisation policies pursued by previous governments, the rate of economic liberalisation may change. Specific laws and policies affecting commodity futures, foreign investment and other matters affecting investment in our securities may also change. In addition, a change in the Government in future may result in a significant change in the Government's policies that may adversely affect business and economic conditions in India and may also adversely affect our business, financial condition and results of operations.

53. ***A slowdown in economic growth in India may cause our business to suffer.***

Our performance and growth are dependent on the health of the Indian economy. The economy may be adversely affected by various factors such as political or regulatory action, including adverse changes in economic liberalisation policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact our business and financial performance and the price of our Equity Shares.

54. ***Government regulation of foreign ownership of Indian securities may hamper our ability to raise additional capital.***

Foreign investment in the Indian commodity exchange sector and in Indian securities generally are subject to regulation. Foreign direct investment in the commodity exchange sector in India in terms of the Consolidated FDI Policy notified under Circular No. 2 of 2011 dated October 1, 2011 (the "FDI Policy") issued by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India. See "Restrictions on Foreign Ownership of Indian Securities" on page 494. Pursuant to clause 6.2.20.2 of Circular 2 of 2011 of the FDI Policy, foreign investment is permitted in commodity exchanges with the following restrictions:

a) Foreign direct investment up to 49.0% is allowed under the Government route as follows:

   (i) Investment by registered foreign institutional investors under the Portfolio Investment Scheme will be limited to 23.0%; and

   (ii) Investment as FDI under the FDI Scheme will be limited to 26.0%;

b) Foreign institutional investors' purchases shall be restricted to the secondary market only; and

c) No non-resident investor or entity, including persons acting in concert, shall hold more than 5.0% of the equity in commodity exchanges.

Further, foreign direct investment is allowed in commodity exchanges only with the prior approval of the Foreign Investment Promotion Board (the "FIPB"). Furthermore, under the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted in accordance with the circular issued by RBI on November 4, 2011, subject to certain restrictions. If the transfer of shares is not in compliance with the prescribed requirements under the said circular, the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. The approval from the RBI or any other government agency may not be granted on terms favourable to a non-resident investor in a timely manner, or at all. Because of possible delays in obtaining the requisite approvals, investors in the Equity Shares may be prevented from realising gains during periods of price increases or limiting losses during periods of price declines.

55. ***Terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares.

India has witnessed civil unrest including communal disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India may have a negative impact on us. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on our business and the price of our Equity Shares.

56. ***Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This may have an adverse effect on our capital expenditure plans, business and financial performance.

57. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which may adversely impact its financial condition.***

According to a report released by RBI, India's foreign exchange reserves totalled over US$ 292.5 billion as of January 13, 2012. Reserves have declined recently and may have negatively impacted the valuation of the rupee. Further declines in foreign exchange reserves may adversely impact the valuation of the rupee and may result in reduced liquidity and higher interest rates that may adversely affect our future financial performance and the market price of the Equity Shares.

58. ***The movements in the price of the Equity Shares may be subject to restrictions from time to time, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Subsequent to listing, we are subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares may be adversely affected.

59. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Capital gains arising from the sale of the Equity Shares are generally taxable in India. Currently, any gain realised on the sale of our shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax, or STT, has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which our shares are sold. Any gain realised on the sale of our shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of our shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of our shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. For more information, see "Statement of Tax Benefit" on page 104. However, capital gains on the sale of our shares purchased in the Offer by residents of certain countries may not be taxable in India by virtue of the provisions contained in the taxation treaties between India and such countries. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of Shares.

60. ***Any change in tax policies applicable to us may affect out results in operations***

The Central Government may enact laws in the future that could adversely impact our tax liabilities and profits. For details regarding tax benefits available to the Company and its shareholders, see the section "Statement of Tax Benefits on page 104. Further, the Direct Tax Code Bill 2010 (the "DTC"), proposes to replace the existing Income Tax Act, 1961 and other direct tax laws, with a view to simplify and rationalise the tax provisions into one unified code. The DTC which was tabled before the Indian Parliament for debate and discussion on August 30, 2010 is proposed to come into effect when it is adoped by the Indian Parliament. The various proposals included in the DTC are subject to review by the Indian parliament and as such impact if any, is not quantifiable at this stage. It is possible that the Direct Tax Code, once introduced, could significantly alter the taxation regime.

61. ***You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Offer.***

The Equity Shares will be listed on the BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or demat accounts with depository participants in India are expected to be credited within three Working Days of the date on which the Basis of Allotment is approved by Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within twelve Working Days of the date of closure of the Offer. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above.

Prominent Notes:

- Public offer of 6,427,378 Equity Shares of ₹ 10 each of our Company through an Offer by the Selling Shareholders for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] million. The Offer comprises a Net Offer of 6,177,378 Equity Shares to the public and a reservation of up to 250,000 Equity Shares for Eligible Employees. The Offer will constitute 12.60% of the post-Offer paid-up equity capital of our Company. The Net Offer will constitute 12.11% of the post-Offer paid-up equity capital of our Company.

- Our net worth as of December 31, 2011 was ₹ 10,739.25 million on a consolidated basis as per our restated consolidated financial statements prepared under Indian GAAP.

- The book value per Equity Share was ₹ 210.58 as of December 31, 2011, as per our restated consolidated financial statement. The book value is based on the face value of ₹ 10 per equity share and has been calculated after giving effect to the consolidation and bonus issue of equity shares approved by the shareholders of the Company, at their meeting held on March 14, 2011.

- The average cost of acquisition per Equity Share by our Promoter, FTIL, is ₹ 8.00 which has been calculated by dividing the aggregate amount paid by our Promoter (comprising cash and consideration for sale of software) to acquire the Equity Shares held by him with the aggregate number of Equity Shares held by our Promoter.

- For details of the related party transactions entered into by us, see "Related Party Transactions" on page 245.

- Any clarification or information relating to the Offer shall be made available by the BRLMs, our Company and the Selling Shareholders to investors at large and no selective or additional information will be available for any subset of investors in any manner whatsoever. Investors may contact any of the BRLMs who have submitted due diligence certificates to SEBI, in relation to any complaints, information or clarifications pertaining to the Offer.

- During the period of six months immediately preceding the date of the filing of the Draft Red Herring Prospectus, no financing arrangement existed whereby the Promoter Group, the directors of the Promoter, the Directors of our Company and their relatives may have financed the purchase of Equity Shares by any other person, other than in the ordinary course of the business of such financing entity.

- Our Company enters into agreements with our Group Companies from time to time in the ordinary course of business. Except as stated in "Related Party Transactions" and in "Financial Statements" on pages 245 and 247, none of our Group Companies has any other interest in our Company.

- Our Company has not changed its name during the last three years immediately preceding the date of the filing of the Draft Red Herring Prospectus with SEBI.

SECTION III

SUMMARY OF BUSINESS

Overview

We are the leading commodities exchange in India based on value of commodity futures contracts traded. We are a de-mutualised exchange and received permanent recognition from the Government of India on September 26, 2003, to facilitate nationwide online trading, clearing and settlement operations of commodities futures transactions. The total value of commodity futures contracts traded on our Exchange in the nine months ended December 31, 2011 and the fiscals 2011, 2010 and 2009 was ₹ 119,806.89 billion, ₹ 98,415.03 billion, ₹ 63,933.03 billion and ₹ 45,880.95 billion, respectively. According to data maintained by the FMC, these amounts represented 87.3%, 82.4%, 82.3% and 87.4% of the Indian commodity futures industry in terms of the value of commodity futures contracts traded during the same periods.

A majority of the commodities we offer are significant in the Indian and global context and are also traded on international exchanges. As of December 31, 2011, we offered trading in 49 commodity futures based on contract specifications, from a diverse range of classes including bullion, ferrous and non-ferrous metals, energy and agriculture. The same underlying physical asset traded under different contract specifications is regarded as a separate commodity future. For example, Gold, Gold Mini and Gold Guinea, all of which are gold futures contracts, are treated as three different commodities in deriving the total number of commodity futures traded on our Exchange. As of December 31, 2011, we had 2,153 members on our Exchange’s platform, with over 296,000 terminals including CTCL spread over 1,572 cities and towns across India.

For the nine months ended December 31, 2011, the total number of futures contracts in silver, gold, crude oil and copper, which were the top four commodities traded on our Exchange, was 101.80 million, 72.80 million, 42.66 million and 26.87 million, respectively. During the fiscal 2011, the total number of futures contracts in silver, gold, crude oil and copper, which were the top four commodities traded on our Exchange, were 46.0 million, 30.5 million, 46.3 million and 31.0 million, respectively. Based on the comparison of the trading volumes of our Exchange with those of the leading global commodity futures exchanges in the world, for the calendar year 2010 and the six months ended June 30, 2011, we were the largest silver exchange, the second largest gold, copper and natural gas exchange and the third largest crude oil exchange, in terms of the number of commodity futures contracts traded for each of these commodities for this period. We were also the fifth largest commodity futures exchange globally, among all the commodity exchanges considered in the Futures Industry Association (“FIA”) survey, in terms of the number of contracts traded for the six months ended June 30, 2011. (*Source: Data published for the period between January 1 and June 30, 2011 on the websites of the exchanges listed in “Certain Conventions; Use of Market Data” on page 12, and FIA, FI magazine, September 2011 (“FIA Report”))*.

We were the first national commodity futures exchange in India to offer futures trading in steel, crude oil and several other commodities, including carbon credits. In December 2009, we launched the exchange of futures for physicals (“EFP”) facility for the first time in India. In May 2010 and June 2010, we launched our Zinc Mini futures and Lead Mini futures contracts, which offer trading in these metals in smaller lot sizes. In January 2011, we also launched Iron Ore future contracts. Additionally, we launched Silver Micro and Aluminium Mini contracts in February 2011, Gold Petal contracts in April 2011, Gold Petal New Delhi contracts in November 2011, and Copper Mini and Nickel Mini contracts in December 2011, all of which offer trading in these metals in smaller lot sizes. In October 2011, we also launched Cotton (29mm) futures contracts. We were the first exchange in India to initiate evening sessions to synchronise with the trading hours of global exchanges in London, New York and other major international markets. (*Source: Data sourced from the websites of the relevant exchanges in India*).

Our operations are sustained by the exchange related support infrastructure and software that we have or sourced from our Promoter, FTIL. Our technology infrastructure includes central matching engines, high end Intel servers, channel based storage area network and networking equipment for providing secured connectivity through very small aperture terminals (“VSATs”), virtual private networks (“VPN”), leased lines and the internet. We have been certified under ISO 9001:2008 for quality management standards and ISO 14001:2004 for environmental management systems with respect to developing and providing services for online trading, clearing and settlement facilities, and risk monitoring of commercial derivatives market. We have also achieved the ISO/IEC 27001:2005 certification, which is the global benchmark for information security management systems.

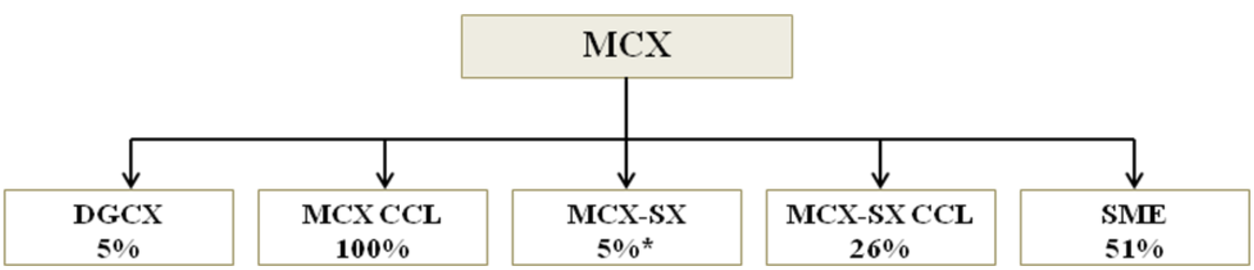
We offer market data and information services to third parties in relation to the commodity futures contracts traded on our Exchange for direct and indirect dissemination to market participants. We have entered into agreements with several financial information service agencies, including Bloomberg Finance L.P., IQN Data Solutions Private Limited, Interactive Data (Europe) Limited, NewsWire 18 Private Limited, TickerPlant Limited and Reuters India Private Limited to provide real time data-feed on trading prices, trading volume and other information on the commodity futures contracts which are traded on our Exchange and similar information on commodities traded on the spot markets.

As part of our efforts to promote more extensive participation in the Indian commodities market, we have focused on disseminating information, providing training and educational programs to increase awareness of the Indian commodities industry to market participants. We have entered into arrangements with a number of educational institutions and commodities trade organisations to educate existing and potential market participants on the dynamics of the commodities market, provide management development programs for decision makers and industry leaders in the Indian commodities markets and provide training and certification programs relating to the Indian commodities market. We have relationships with, among other institutions, Department of Economics (Autonomous) University of Mumbai, FT Knowledge Management Company Limited, Symbiosis Institute of International Business and Takshashila Academia of Economic Research Limited. We believe that these efforts will help increase the overall market size of the Indian commodities industry, and help expand our membership base. In addition, we have entered into agreements with National Bulk Handling Corporation Limited ("NBHC") for the provision of services in connection with warehousing and the physical deliveries for settlement of futures contracts traded on our Exchange.

On September 23, 2011, we recorded the highest daily turnover on our Exchange since our inception, which was ₹ 1,116.66 billion. The average monthly turnover on our Exchange for the nine months ended December 31, 2011, and the fiscals 2011, 2010 and 2009 was ₹ 13,311.88 billion, ₹ 8,201.25 billion, ₹ 5,327.75 billion and ₹ 3,823.41 billion, respectively. For the same periods, the average daily turnover on our Exchange was ₹ 514.19 billion, ₹ 320.57 billion, ₹ 209.62 billion and ₹ 148.96 billion, respectively.

We derive our income primarily from transaction fees with respect to the trades executed on our Exchange, annual subscription fees, member admission fees, terminal charges, proceeds of sale and dividends from investments and interest from bank deposits. For the fiscal 2011 and the nine months ended December 31, 2011, our total consolidated income was ₹ 4,475.60 million and ₹ 4,745.02 million, respectively, and our net profit, as restated, was ₹ 1,762.73 million and ₹ 2,179.52 million, respectively.

Our Promoter owns 31.18% of our equity share capital. Our other larger shareholders include financial institutions and other entities from the financial sector, such as FID Funds (Mauritius) Limited (an affiliate of Fidelity International), Euronext N.V. (an affiliate of NYSE Euronext) and Merrill Lynch Holdings (Mauritius). We have also made strategic investments in several related businesses which we believe are potential revenue growth drivers. The following chart shows our strategic investments as of the date of this Red Herring Prospectus:



* We also hold 634,170,000 warrants issued by MCX-SX pursuant to the Scheme. For further details, see sections titled "Other

Companies" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Restructuring of Shareholding in MCX-SX" on pages 241 and 387 respectively.

Competitive Strengths

We believe the following are our core competitive strengths:

Leadership Position in the Commodity Futures Industry

We are the leading commodity futures exchange in India in terms of value of commodity futures contracts traded in metals, energy and certain agricultural commodities. According to data maintained by FMC, the total value of commodity futures contracts traded on our Exchange for the nine months ended December 31, 2011, the fiscals 2011 and 2010 constituted 87.3%, 82.4% and 82.3%, respectively, of the Indian commodity futures industry during those periods. Among the national commodities exchanges in India, our market share based on the total value of commodities traded in futures markets for the nine months ended December 31, 2011 for gold, crude oil, silver, copper and natural gas futures contracts was approximately 97.1%, 94.8%, 98.5%, 94.9% and 99.9%, respectively. (*Source: Information derived from FMC April – December 2011 data*). We were the fifth largest commodity futures exchange globally, among all the commodity exchanges considered in the FIA survey, in terms of the number of contracts traded and were among the leading commodity exchanges in the world in terms of trading volumes of certain commodities. Based on the comparison of the trading volumes of our Exchange with the leading global commodity futures exchanges in the world, for the calendar year 2010 and the six months ended June 30, 2011, we were the largest silver exchange, the second largest gold, copper and natural gas exchange and the third largest crude oil exchange for this period. We believe that our leadership position in these products gives us a competitive advantage.

Product and Service Innovation

We believe that our strength lies in our ability to introduce new and innovative products, *i.e.* commodity futures contracts, and services on our Exchange. We were the first exchange in India to offer futures trading in steel, crude oil, and almond. In June 2005, we launched MCXCOMDEX, India's first real time composite commodity futures index, which provides our members with valuable information regarding market movements in the key commodities, as determined by physical market size in India, which are actively traded on our Exchange. We have introduced several other indices, including MCXAgri (agricultural commodities index), MCXEnergy (energy commodities index) and MCXMetal (metal commodities index). We also have three rain indices, namely RAINDEXMUM (Mumbai), RAINDEXIDR (Indore), and RAINDEXJAI (Jaipur) which track the progress of monsoon rains in their respective geographic locations. We were the first exchange in India to initiate evening sessions to synchronize with the trading hours of global exchanges in London, New York and other major international markets. In addition, we provide our members with real time market information regarding prices and trading activity, which we believe may help refine investment decisions. In December 2009, we launched EFP transactions for the first time in India, which enables parties with futures positions to swap their positions in the physical markets and *vice versa*. In October 2009, we teamed up with a third party to jointly release the "Commodity Insights Yearbook 2009", which we believe is a first of its kind publication in India on commodities. In December 2010, we launched the second edition of this yearbook. We undertook these publications with the aim of giving readers insights into the Indian commodity market ecosystem. In May 2010 and June 2010, we launched our Zinc Mini futures and Lead Mini futures contracts, which offer trading in these metals in smaller lot sizes. In January 2011, we launched Iron Ore futures contracts, which are designed to be a benchmark for the Indian iron ore futures export market. Additionally, we launched Silver Micro and Aluminium Mini contracts in February 2011, Gold Petal contracts in April 2011, Gold Petal New Delhi contracts in November 2011, and Copper Mini and Nickel Mini contracts in December 2011, all of which offer trading in these metals in smaller lot sizes. In October 2011, we also launched Cotton (29mm) futures contracts.

Our Technology Infrastructure

Our technology infrastructure is the foundation of our business and a key factor in our development. Our online trading platform is accessible to our members through our trader workstation or computer-to-computer link ("CTCL") using multiple media of connectivity including VSATs, VPN, leased lines, and the internet. Our electronic platform is supported by our infrastructure and advanced technology, allowing faster trade execution, anonymity, price transparency, prompt and reliable order routing, trade reporting, market data dissemination and market surveillance. We believe we have deployed effective technology to minimise the various risks including member defaults. Our system tracks our members' margin utilizations and tracks mark-to-market ("MTM") losses online against their deposit available with our Exchange and automatically generates alerts and takes pre-decided actions.

Our electronic trading platform is supplied by our Promoter, FTIL, which is one of the leading technology companies in the development and deployment of exchange related software and technology in India. We believe that technology for the exchange industry is difficult to replicate, thus providing us with a competitive advantage. Further, we operate in an environment which requires constant technology upgrades or variations and support due to changes required by the regulatory regime and market forces. The technical expertise and experience of FTIL enable us to obtain speedy and efficient technology solutions, such as customisation and development of new software for new products and services.

Scalable Technology Platform and Business Model

We believe that our technology platform and business model are highly scalable and have the potential to generate better margins at greater volumes. We plan for and structure our business costs based on our historical and expected growth. Consequently, we have made significant investments in developing our fixed operating infrastructure, including our technology systems, to support our anticipated growth and increase in the demand for our products. We believe that our current technology infrastructure is sufficient to handle daily trading volumes of up to 10,000,000 trades a day, and have handled a high of 1,867,612 trades in a day. Increased trading activity on our Exchange would result in increased profitability. Further, we intend to increase the use of data generated from the commodity futures contracts traded on our Exchange to capitalise on the opportunities in market data products and information dissemination. We believe that our overall business model is highly scalable and that it offers potential for economic growth of our business with limited incremental costs.

Integrated Infrastructure and Network of Alliances

The operation of our business is supported by the exchange related support infrastructure that we have developed and our network of strategic alliances, which we believe enables us to grow our business and expand our market presence. This includes our Group Company, NBHC, which is a national warehousing and supply chain company that provides warehouse and collateral management services and implements quality systems for receipt, storage, fumigation, product classification, weight certification, as well as out-loading services for commodities. We believe this relationship provides us with synergies arising from the physical settlement of commodity futures contracts traded on our Exchange.

In addition, we have formed strategic alliances in India with a diverse range of business associations, such as the Dall & Besan Millers Association, the Solvent Extractors' Association, an industry association for pulses and the Bombay Metal Exchange. Among international alliances, we have formed strategic alliances with a number of exchanges such as the London Metal Exchange, the New York Mercantile Exchange, the LIFFE Administration and Management (under renewal), the Baltic Exchange Limited, Shanghai Futures Exchange and Taiwan Futures Exchange. These alliances facilitate the sharing of information across regional and global exchanges, enabling us to penetrate new markets, enhance our product offerings and increase our market presence.

Experienced Board of Directors and Management Team

Our board of directors and management team are experienced in the exchange industry and application of technology in this sector. Venkat Chary, our Non Executive Independent Chairman, was formerly the chairman of FMC. Jignesh P. Shah, our Non Executive Non Independent Vice Chairman and the promoter of FTIL, has more than a decade of experience in the securities exchange industry and has worked as a part of the BSE's automation team that designed and implemented BSE's online trading system known as "BOLT". Lambertus Rutten, our Managing Director and Chief Executive Officer, has sixteen years experience working for the United Nations Conference on Trade and Development and the World Bank, where he was responsible for programmes on commodity exchanges, risk management and finance. Joseph Massey, our Non Executive Non Independent Director, has been with us in an executive position for over six years, including as our Deputy Managing Director and Managing Director. He has rich and diversified experience of more than 20 years in the financial sector. Parveen Singhal, our deputy managing director (non-Board) worked for the Delhi Stock Exchange Limited, FMC and SEBI and has extensive experience in the banking, finance, insurance, securities and commodities sectors. We believe that the knowledge and experience of our management team and independent directors in the exchange industry enable us to respond to market opportunities, adapt to changes in the regulatory environment and bring innovations to our Exchange.

Growth Strategy

We believe that there are several global trends which are re-shaping the futures marketplace and driving volume growth in exchange traded commodity futures. Globalisation, deregulation, advances in technology and increasingly sophisticated market participants offer opportunities for expanding the Indian commodity futures markets. We intend to capitalise on these factors by implementing the following strategies:

Expand Market Presence and Increase Participants

As of December 31, 2011, we had 2,153 members nationwide with more than 296,000 terminals including CTCL spread over 1,572 cities and towns in India. We intend to continue to increase the number of our participants by introducing new products on our Exchange, by expanding to more geographical areas and by continuing our efforts to disseminate knowledge and information about the commodity futures industry. Along with our alliance partners, we plan to establish and grow our presence in additional regions across India.

Enhance Marketing, Educational and Awareness Efforts

We plan to expand our participation by initiating more interactions with brokers and other participants within the commodity futures industry. In addition, we intend to continue to use the print and electronic media to enhance knowledge and promote awareness on the commodity futures industry among participants in related industries. We believe that knowledge barriers created a largely untapped opportunity for the Indian commodity futures market among retail investors and participants in the local commodity exchanges, or *mandis*. As such, we aim to increase public awareness and understanding of the commodity futures industry to help build our membership and user base. As part of our ongoing efforts to promote participation in the commodity futures market in India, we intend to continue to offer training and certification programmes to educate existing and potential market participants on the benefits of trading in commodity futures and on career opportunities in the commodities industry. Such programmes are targeted primarily at potential participants located in rural India and students in the corporate and management sector. We have entered into an arrangement with FT Knowledge Management Company Limited ("FTKMC"), which specialises in securities and commodities market education, and provides professional training, consultancy and certification services in relation to the design and development of our educational programmes and awareness campaigns. Through our alliances with Gramin Suvidha Kendra partners, we aim to provide farmers with the expert advice and agricultural inputs, information on spot and futures prices for their produce and thereby spread awareness in rural areas. We also plan to increase the number of awareness programmes which we jointly organise with our industry regulator and other exchanges. We have further installed tickers for market data dissemination at the various local *mandis* to enable participants in those markets to track the prices of commodity futures traded on our Exchange. Our initiatives are partly supported by the Government and our industry regulator through a financial grant, which we utilise to expand the reach and depth of our programmes. Our efforts are aimed at developing a mature Indian commodity futures market, which may, in turn, contribute to our growth.

Introduce New Products and Services on our Exchange

Since our inception, we have introduced a variety of new commodity futures contracts on our exchange. The number of products we offer on our Exchange has grown from 15 as of March 31, 2004 to 49 as of December 31, 2011. We will continue to focus on offering futures trading in commodities which are significant in the Indian and global contexts. We will continue to offer trading in commodities through contracts that we will customise to meet the needs of the Indian markets, such as our Gold Mini and Gold Petal contracts, which are aimed at local retail investors. We plan to increase our product portfolio through our research and development efforts and through our alliances with other exchanges. We aim to offer more customised products and services to attract a broader base of participants. For example, we introduced EFP transactions, which are intended to attract participants from the physical commodities markets to take futures positions on our Exchange. We also intend to capitalise on changes proposed in regulations governing the Indian commodities derivatives industry permitting trading in options and intangibles, including indices. For example, we have already developed the software technology infrastructure and other in-house expertise to launch trading in commodities options when such trading is permitted, to reduce the lead time to the market. Similarly, if and when trading in commodity indices is permitted, investors will be able to trade in our composite commodity index, MCX-COMDEX and other indices that we have developed.

Continue to Pursue Strategic Initiatives to Open Up New Revenue Streams

We plan to supplement our organic growth by continuing to pursue strategic alliances and joint ventures. We will continue to look for opportunities to invest in companies or assets in related industries, primarily in India and the pan-Asian region, that we believe will enhance our growth, operations and profitability. We also intend to invest in businesses that would enable greater access to our markets or offer services that we currently do not offer. Our investment criteria include selecting investments of a strategic nature which are complementary to our existing operations, particularly those which we believe would help us expand our presence in the global commodity futures industry. In line with this strategy, we have promoted companies and entered into joint ventures with other businesses to diversify our operations. We have in the past entered into a joint venture with Dubai Multi Commodities Center to establish the Dubai Gold and Commodities Exchange DMCC ("DGCX"), a demutualised, fully electronic commodities and currencies exchange based in Dubai, which we saw as a strategic opportunity to expand our reach in the Middle East. In addition, we have formed strategic alliances with domestic associations and global exchanges with respect to sharing of content, know-how and commodity prices to enhance our know-how and to keep track of the constantly evolving global commodity markets and trends. We intend to continue to look for such strategic alliances and joint ventures to develop new markets, enhance our services and increase our market presence.

Generate New Revenue Sources from Existing Products

We intend to develop new revenue sources that are not transaction-driven. We believe that market data products and information offerings have the potential to become a source of revenue for us, as is the case for various leading exchanges in India and the rest of the world. Sophisticated quantitative approaches to risk management as well as customer time sensitivity has created new needs, uses and demands for trading related data and analytics. We have entered into agreements with financial information service agencies to provide real time data-feed on trading prices, trading volume and other information on the commodity futures contracts which are traded on our Exchange and on the spot market. We currently have such arrangements with Bloomberg Finance L.P., NewsWire 18 Private Limited, IQN Data Solutions Private Limited, Reuters India Private Limited, Interactive Data (Europe) Limited and TickerPlant Limited. We aim to further develop our market data offerings by integrating proprietary information generated by our Exchange into new market data products designed to meet the needs of a greater number of customers. We also intend to create new value-added services to complement our market data products, including databases, analytical tools and other services to assist end-users.

SUMMARY FINANCIAL INFORMATION

The following table sets forth summary financial information derived from our restated audited consolidated financial statements as of and for the years ended March 31, 2009, 2010 and 2011 and as of and for the nine months ended December 31, 2011 and restated audited standalone financial statements as of and for the years ended March 31, 2007, 2008, 2009, 2010 and 2011 and as of and for the nine months ended December 31, 2011. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI Regulations and presented under the section titled "Financial Statements" on page 247. The summary financial information presented below should be read in conjunction with our audited restated standalone and consolidated financial statements, the notes thereto and sections titled "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 247 and 365 respectively. For clarity, please note that Annexure IV mentioned in this section refers to Annexure IV - Significant accounting policies and notes to the consolidated summary statements, as restated and Annexure IV - Significant accounting policies and notes to the summary statements, as restated, as the case may be, in the section titled "Financial Statements" on page 247.

Consolidated summary statement of assets and liabilities, as restated

(₹ in million)

		As at			
		March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
A.	**Fixed Assets :**				
	Gross block	2,594.77	2,678.78	2916.53	3,095.44
	Less : Accumulated depreciation/ amortisation	508.85	753.58	963.56	1,165.39
	Net block	2,085.92	1,925.20	1,952.97	1,930.05
	Add: Capital work-in-progress	2.68	2.65	0.49	0.43
	Total (A)	**2,088.60**	**1,927.85**	**1,953.46**	**1,930.48**
B.	**Investments (B)**(Refer Annexure X)	**4,698.18**	**6,170.15**	**8,237.44**	**10,958.12**
C.	**Current Assets, Loans and Advances :**				
	Sundry debtors[Refer Annexure IX(A)]	268.95	303.81	488.68	494.03
	Cash and bank balances [refer Note 12 to Annexure IV - II]	4,058.54	2,700.53	3,311.71	2,285.66
	Other Current Assets	91.74	78.34	113.13	96.73
	Loans and advances[Refer Annexure IX(B)]	452.42	1,107.94	896.61	960.88
	Total (C)	**4,871.65**	**4,190.62**	**4,810.13**	**3,837.30**
	Total (A+B+C)	**11,658.43**	**12,288.62**	**15,001.03**	**16,725.90**
D.	**Liabilities and Provisions:**				
	Current liabilities and provisions(Refer note 9 to Annexure IV-II)	6,634.75	5,214.24	6,385.46	5,829.77
	Total (D)	**6,634.75**	**5,214.24**	**6,385.46**	**5,829.77**
E.	**Deferred tax liability (net) (E)**	87.18	106.26	127.08	156.88
F.	**Networth (A+B+C-D-E)**	**4,936.50**	**6,968.12**	**8,488.49**	**10,739.25**
G.	**Represented by**				
	1. Share capital [refer Note 8 to Annexure IV - II]	407.96	407.99	509.99	509.99
	2. Stock Option Outstanding Account [refer Note 10 to Annexure IV - II]	0.24	-	-	-
	3. Reserves and Surplus				

		As at			
		March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
	- Securities Premium	2,264.70	2,270.41	2,168.42	2,168.42
	- Amount recoverable from MCX ESOP Trust [refer Note 11 to Annexure IV – II]	(221.00)	(165.29)	(111.30)	(40.49)
	- Settlement Guarantee Fund	15.12	16.34	17.47	18.71
	- General Reserves	389.26	610.08	782.90	782.88
	- Balance in Profit and Loss Account	2,080.22	3,828.59	5,121.01	7,299.29
	4. Minority interest	-	-	-	0.45
H	**Networth (Total of G)**	**4,936.50**	**6,968.12**	**8,488.49**	**10,739.25**

The above statement should be read with the Significant Accounting Policies and Notes to Consolidated Statement of Assets and Liabilities, Profit and Loss Account and Cash Flows as appearing in Annexure IV.

Consolidated summary statement of profits and losses, as restated

(₹ in million)

	Financial year ended			Nine months ended
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Income				
Transaction fees	1,860.96	2,640.80	3495.40	3,868.19
Membership Admission fees	105.21	69.64	35.14	41.36
Annual subscription fees	135.94	136.20	134.74	98.81
Terminal charges	22.37	27.18	23.64	14.97
Income from operations	**2,124.48**	**2,873.82**	**3,688.92**	**4,023.33**
Other Income (refer Annexure VIII)	1,533.96	2,063.19	786.68	721.69
Total Income	**3,658.44**	**4,937.01**	**4,475.60**	**4,745.02**
Expenditure				
Staff costs	254.34	217.50	264.31	201.35
Administration and other operating expenses (refer Note 4 to Annexure IV-II)	1,106.08	1,240.77	1507.00	1,216.82
Depreciation/ Amortisation	199.56	247.43	246.59	204.39
Interest	1.79	0.40	0.20	0.02
Total Expenditure	**1,561.77**	**1,706.10**	**2,018.10**	**1,622.58**
Net profit before tax	**2,096.67**	**3,230.91**	**2,457.50**	**3,122.44**
Provision for tax				
- Current tax	452.66	1,004.30	703.50	914.35
- Prior period tax	-	-	1.98	(27.19)
- Deferred tax	63.14	19.08	20.82	29.79
- Wealth tax	0.29	0.27	0.23	0.15
- Fringe benefit tax	6.39	-	-	
Net profit after tax before share of profit of Associate	**1,574.19**	**2,207.26**	**1,730.97**	**2,205.34**
Share of profit of Associate	0.37	2.96	2.59	1.37
Net profit after tax as per audited consolidated financial statements	**1,574.56**	**2,210.22**	**1,733.56**	**2,206.71**
Impact of prior period adjustments [refer Note 2 to Annexure IV-II]	13.82	(2.14)	29.17	(27.19)
Net profit, as restated	**1,588.38**	**2,208.08**	**1,762.73**	**2,179.52**
Balance brought forward from previous year, as restated	890.19	2,080.22	3,828.59	5,121.01
Profit before appropriation, as restated	**2,478.57**	**4,288.30**	**5,591.32**	**7,300.53**
Appropriations:				
Proposed dividend	203.99	203.99	254.99	-
Final dividend of earlier year	1.30	-	-	-
Corporate dividend tax	34.89	33.88	41.37	-
Transfer to General Reserve	158.03	220.62	172.82	-
Transfer to Settlement Guarantee Fund Reserve	0.14	1.22	1.13	1.24
Balance carried to balance sheet, as restated	**2,080.22**	**3,828.59**	**5,121.01**	**7,299.29**

The above statement should be read with the Significant Accounting Policies and Notes to Consolidated Statement of Assets and Liabilities, Profit and Loss Account and Cash Flows as appearing in Annexure IV.

Consolidated statement of cash flows, as restated.

(₹ in million)

	Financial year ended			Nine months ended
	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Cash flow from operating activities				
Net profit before tax, as restated (refer note 5 below)	2,109.10	3,230.91	2,457.50	3,122.44
Adjustments for:				
Depreciation/Amortization	199.56	247.43	246.59	204.39
Interest expense	1.79	0.40	0.20	0.01
Dividend from investments	(260.17)	(144.41)	(322.72)	(308.70)
Diminution in value of investments	72.00	6.32	-	3.41
Profit on sale of investments (net)	(913.65)	(1,472.58)	(56.25)	(81.61)
Loss on sale of assets or assets scrapped (net)	2.85	0.65	13.41	1.38
Advertisement expense (service tax set off availed)	-	5.63	-	-
Interest income	(171.22)	(220.49)	(173.55)	(140.44)
Operating profit before working capital changes	1,040.26	1,653.86	2,165.18	2,800.88
Adjustments for:				
Increase in trade and other receivables	(176.44)	(565.95)	(55.57)	118.56
Decrease in trade payables and provisions	2,244.78	(1,453.19)	1,135.69	(461.86)
Cash generated from / (used in) operations	**3,108.60**	**(365.28)**	**3,245.30**	**2,457.58**
Tax paid	(255.53)	(553.45)	(545.74)	(820.58)
Net cash generated from / (used in) operating activities	**2,853.07**	**(918.73)**	**2,699.56**	**1,637.00**
Cash flow from investing activities				
Additions to fixed assets (refer note 4 below)	(757.49)	(96.34)	(312.16)	(187.41)
Deletion / Adjustment to Fixed Assets	33.78	9.01	26.55	4.61
Purchase of investments (including fixed deposits placed and share application money)	(110,907.41)	(99,345.62)	(109,268.55)	(105,446.65)
Redemption/sale of investments (including fixed deposits)	110,145.33	99,420.85	106,784.10	103,699.36
Dividend from investments	260.17	144.41	322.72	308.70
Interest received	97.00	233.91	138.74	156.84
Cash generated from / (used in) investing activities	**(1,128.62)**	**366.22**	**(2,308.60)**	**(1,464.55)**
Tax Paid	(242.15)	(488.95)	(17.71)	(8.74)
Net Cash generated from / (used in) investing activities	**(1,370.77)**	**(122.73)**	**(2,326.31)**	**(1,473.29)**
Cash flow from financing activities				
Proceeds from:				
- Equity share capital	15.55	0.03	-	-
- Securities premium	212.58	0.05	-	-
- Minority Shareholders of Subsidiary Company	-	-	-	0.45
Share issue expenses adjusted in Securities Premium Account	(63.03)	-	-	-
Dividend paid (including tax thereon)	(47.43)	(238.60)	(237.87)	(296.37)
Interest paid	(1.79)	(0.01)	(0.20)	(0.01)
Net cash generated from / (used in) financing activities	**115.88**	**(238.53)**	**(238.07)**	**(295.93)**
Net cash (outflow) / inflow during the year	**1598.18**	**(1,279.99)**	**135.18**	**(132.22)**
Net increase/ (decrease) in cash and cash equivalents	**1598.18**	**(1,279.99)**	**135.18**	**(132.22)**

	Financial year ended			Nine months ended
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Cash and cash equivalents (opening balance)	166.54	1,764.72	484.73	619.91
Cash and cash equivalents (closing balance) (refer note 2)	1,764.72	484.73	619.91	487.69

Notes to statement of cash flow, as restated:

1. The consolidated statement of cash flow, as restated has been prepared under the "Indirect Method" as set out in AS 3 - Cash Flow Statement prescribed in the Company's Accounting Standard Rules, 2006 ('the Rules').

2. Closing balance of Cash and cash equivalents consists of the following:

(₹ in million)

	As at			
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Cash and cheques on hand	1.35	13.81	2.85	0.09
Bank Balances:				
- in current accounts	1,757.97	465.52	610.44	481.90
- in deposit accounts	5.40	5.40	6.62	5.70
Cash and cash equivalents	**1,764.72**	**484.73**	**619.91**	**487.69**
- In deposit accounts (maturing more than 3 months)	2,293.82	2,215.80	2,691.80	1,797.97
Cash and bank balance	**4,058.54**	**2,700.53**	**3,311.71**	**2,285.66**

3. Fixed Deposits with banks with maturity period of more than three months are classified and grouped in investing activities and not included in cash and cash equivalents.

4. Purchase of fixed assets is stated inclusive of movements of capital work in progress between the commencement and end of the year and is considered as part of investing activities.

5. Net Profit before tax, as restated is computed as under

(₹ in million)

	Financial year ended			Nine months ended
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Net Profit before tax as per audited financial statements (A)	**2,096.67**	**3,230.91**	**2,457.50**	**3,122.44**
Adjustment on account of prior period items: [refer Note 2 to Annexure IV-II]				
Prior period expenses	12.43	-	-	-
Total of adjustments (B)	**12.43**	**-**	**-**	**-**
Net Profit before tax as restated (A+B)	**2,109.10**	**3,230.91**	**2,457.50**	**3,122.44**

Standalone summary statement of assets and liabilities, as restated

(₹ in million)

		As at					
		March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
A.	**Fixed Assets :**						
	Gross block	1,110.77	1,291.97	2,594.76	2,678.78	2,916.53	3,095.44
	Less : Accumulated depreciation/ amortisation	207.63	325.29	508.85	753.58	963.56	1,165.39
	Net block	903.14	966.68	2,085.91	1,925.20	1,952.97	1,930.05
	Add: Capital work-in-progress	390.90	505.19	2.68	2.65	0.49	0.43
	Total (A)	**1,294.04**	**1,471.87**	**2,088.59**	**1,927.85**	**1,953.46**	**1,930.48**
B.	**Investments (B)**(refer Annexure XI)	**3,167.35**	**5,249.10**	**4,698.29**	**6,172.32**	**8,235.51**	**10,951.40**
C.	**Current Assets, Loans and Advances :**						
	Sundry debtors [refer Annexure X A)]	165.27	148.02	268.95	303.81	488.68	494.03
	Cash and bank balances (refer Note 18 to Annexure IV – II)	1,889.53	1,046.75	4,058.04	2,700.05	3,310.00	2,283.96
	Other Current Assets	15.52	6.78	91.75	78.34	113.13	96.74
	Loans and advances [refer Annexure X – (B)]	157.73	581.54	458.49	1,107.94	896.61	960.88
	Total (C)	**2228.05**	**1783.09**	**4,877.23**	**4,190.14**	**4,808.42**	**3,835.61**
	Total (A+B+C)	**6,689.44**	**8,504.06**	**11,664.11**	**12,290.31**	**14,997.39**	**16,717.49**
D.	**Liabilities and Provisions:**						
	Current liabilities and provisions(refer Note 9 to Annexure IV-II)	3,735.39	4,897.25	6,634.73	5,214.22	6,385.43	5,829.76
	Total (D)	**3,735.39**	**4,897.25**	**6,634.73**	**5,214.22**	**6,385.43**	**5,829.76**
E.	**Deferred tax liability (net) (E)**	**35.24**	**19.82**	**87.18**	**106.26**	**127.09**	**156.89**
F.	**Net worth (A+B+C-D-E)**	**2,918.81**	**3586.99**	**4,942.20**	**6,969.83**	**8,484.87**	**10,730.84**
G.	**Represented by**						
	1. Share capital (refer Note 8 to Annexure IV –II)	390.75	392.41	407.96	407.99	509.99	509.99
	2. Stock Option Outstanding Account (refer Note 11 to Annexure IV-II)	2.50	3.58	0.24	-	-	-
	3. Reserves and Surplus						
	- Securities Premium (refer Note 14 to Annexure IV – II)	2,151.48	2,054.63	2,264.70	2,270.41	2,168.42	2,168.42
	- Amount recoverable from MCX ESOP Trust (refer Note 17 to Annexure IV-II)	-	-	(221.00)	(165.29)	(111.30)	(40.49)
	- Settlement Guarantee Fund	-	-	15.12	16.34	17.47	18.71
	- General Reserves	140.70	246.18	389.27	610.10	782.92	782.91
	- Balance in Profit and Loss Account	233.38	890.19	2,085.91	3,830.28	5,117.37	7,291.30
	Networth (Total of G)	**2,918.81**	**3,586.99**	**4,942.20**	**6,969.83**	**8,484.87**	**10,730.84**

The above statement should be read with the Significant Accounting Policies and Notes to Standalone Statement of Assets and Liabilities, Profit and Loss Account and Cash Flows as appearing in Annexure IV.

Standalone summary statement of profit and loss, as restated

(₹ in million)

	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Income						
Transaction fees	1,102.86	1,445.04	1,860.96	2,640.80	3,495.40	3,868.19
Membership Admission fees	416.13	110.91	105.21	69.64	35.14	41.36
Annual subscription fees	39.33	95.25	135.94	136.20	134.74	98.81
Terminal charges	32.09	25.41	22.37	27.18	23.64	14.97
IT Enabled/Software related services	65.39	59.97	-	-	-	-
Income from operations	**1,655.80**	**1,736.58**	**2,124.48**	**2,873.82**	**3,688.92**	**4,023.33**
Other Income (refer Annexure IX)	407.52	1004.93	1,533.96	2,061.67	783.95	718.64
Total Income	**2,063.32**	**2741.51**	**3,658.44**	**4,935.49**	**4,472.87**	**4,741.97**
Expenditure						
Staff costs	161.85	305.33	254.34	217.50	264.31	201.35
Administration and other operating expenses (refer Note 4 to Annexure IV – II)	539.98	948.09	1,100.02	1,240.29	1,507.00	1,216.75
Depreciation/ Amortisation	89.71	119.94	199.56	247.43	246.59	204.39
Interest	6.06	0.19	1.79	0.40	0.20	0.02
Total Expenditure	**797.60**	**1,373.55**	**1,555.71**	**1,705.62**	**2,018.10**	**1,622.51**
Net profit before tax	**1265.72**	**1367.96**	**2,102.73**	**3,229.87**	**2,454.77**	**3,119.46**
Provision for tax						
- Current tax	321.60	315.10	452.65	1,004.30	703.50	887.15
- Prior period tax	1.99	-	-	-	1.98	
- Deferred tax	5.98	(11.21)	63.15	19.08	20.83	(29.80)
- Wealth tax	0.21	0.32	0.29	0.27	0.23	0.15
- Fringe benefit tax	5.57	11.04	6.39	-	-	-
Net profit after tax as per standalone audited financial statements	**930.37**	**1,052.71**	**1,580.25**	**2,206.22**	**1,728.23**	**2,202.36**
Impact of prior period adjustments (refer Note 2 to Annexure IV-II)	4.24	(15.91)	13.82	(2.14)	29.17	(27.19)
Net profit, as restated	**934.61**	**1036.80**	**1,594.07**	**2,204.08**	**1,757.40**	**2,175.17**
Balance brought forward from previous year, as restated	371.69	233.38	890.19	2,085.91	3,830.28	5,117.37
Profit before appropriation, as restated	**1,306.30**	**1270.18**	**2,484.26**	**4,289.99**	**5,587.68**	**7,292.54**
Appropriations:						
Interim dividend	857.64	195.38	-	-	-	-
Proposed dividend	-	39.24	203.99	203.99	254.99	-
Final dividend of earlier year	-	-	1.30	-	-	-
Corporate dividend tax	120.28	39.87	34.89	33.88	41.37	-
Transfer to General Reserve	95.00	105.50	158.03	220.62	172.82	-
Transfer to Settlement Guarantee Fund Reserve	-	-	0.14	1.22	1.13	1.24
Balance carried to balance sheet, as restated	**233.38**	**890.19**	**2,085.91**	**3,830.28**	**5,117.37**	**7,291.30**

The above statement should be read with the Significant Accounting Policies and Notes to Standalone Statement of Assets and Liabilities, Profit and Loss Account and Cash Flows as appearing in Annexure IV.

Standalone statement of cash flow, as restated

(₹ in million)

	Financial year ended					Nine months ended
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Cash flow from operating activities						
Net profit before tax, as restated (refer note 5 below)	1,267.97	1,353.28	2,115.16	3,229.87	2,454.77	3,119.46
Adjustments for:						
Depreciation / amortisation	89.71	119.94	199.56	247.43	246.59	204.39
Interest expense	6.06	0.19	1.79	0.40	0.20	0.02
Dividend from investments	(245.46)	(208.09)	(260.17)	(142.89)	(319.97)	(305.67)
Depreciation written back	(0.04)	-	-	-	-	-
Brokerage and Commission on sale of investments	-	33.49	-	-	-	-
Diminution in value of investments	-	13.40	72.00	6.32	-	3.42
Employee stock option compensation cost	3.31	3.23	-	-	-	-
Profit on sale of investments (net)	(33.60)	(549.12)	(913.65)	(1,472.58)	(56.27)	(81.61)
Loss on sale of assets or assets scrapped	0.01	0.97	2.84	0.65	13.42	1.38
Advertisement Expenses (service tax set off availed)	-	-	-	5.62	-	-
Interest income	(30.51)	(101.52)	(171.22)	(220.49)	(173.55)	(140.44)
Operating profit before working capital changes	**1,057.45**	**665.77**	**1,046.31**	**1,654.33**	**2,165.19**	**2,800.95**
Adjustments for:						
Increase in trade and other receivables	(71.74)	(89.11)	(182.49)	(559.90)	(55.57)	118.57
Decrease in trade payables and provisions	479.27	269.52	2,244.78	(1,453.19)	1,135.68	(461.86)
Cash generated from/(used in) operations	**1,464.98**	**846.18**	**3,108.60**	**(358.76)**	**3,245.30**	**2,457.66**
Taxes paid	(305.73)	(221.74)	(255.53)	(553.45)	(545.74)	(820.58)
Net cash generated from/(used in) operating activities	**1159.25**	**624.44**	**2,853.07**	**(912.21)**	**2,699.56**	**1,637.08**
Cash flow from investing activities						

	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Additions to fixed assets (refer note 4 below)	(1,039.06)	(268.39)	(757.49)	(96.34)	(312.16)	(187.41)
Deletion / Adjustment to Fixed Assets	1.50	1.93	33.78	9.01	26.54	4.61
Purchase of investments (including fixed deposits placed and share application money)	(39,695.65)	(90,946.26)	(110,907.91)	(99,344.60)	(109,129.34)	(105,388.83)
Redemption / sale of investments (Including fixed deposits)	40,906.65	90,228.18	110,145.33	99,414.85	106,646.40	103,644.96
Brokerage and Commission on sale of investments	-	33.49	-	-	-	-
Dividend from investments	245.46	208.09	260.17	142.89	319.97	305.67
Interest received	20.56	110.26	97.00	233.91	138.75	156.84
Cash (used in) / generated from investing activities	**439.46**	**(632.70)**	**(1,129.12)**	**359.72**	**(2,309.84)**	**(1,464.16)**
Tax Paid	(14.34)	(262.54)	(242.15)	(488.95)	(17.71)	(8.75)
Net Cash (used in) / generated from investing activities	**425.12**	**(895.24)**	**(1,371.27)**	**(129.23)**	**(2,327.55)**	**(1,472.91)**
Cash flow from financing activities						
Proceeds from:						
- Equity share capital	1.19	1.66	15.55	0.03	-	-
- Securities premium	2.13	2.98	212.58	0.05	-	-
Share issue expenses adjusted in Securities Premium Account (Refer note 14 to Annexure IV-II)	-	(43.79)	(63.03)	-	-	-
Dividend paid (including tax thereon)	(1,066.18)	(229.17)	(47.43)	(238.61)	(237.87)	(296.37)
Interest paid	(6.06)	(0.19)	(1.79)	(0. 01)	(0.20)	(0.02)
Net cash generated from / (used in) financing activities	**(1,068.92)**	**(268.51)**	**115.88**	**(238.53)**	**(238.07)**	**(296.39)**
Net cash (outflow) / inflow during the year	**515.45**	**(539.31)**	**1,597.68**	**(1,279.97)**	**133.94**	**(132.22)**
Net increase / (decrease) in cash and cash equivalents	**515.45**	**(539.31)**	**1,597.68**	**(1,279.97)**	**133.94**	**(132.22)**

	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Cash and cash equivalents (opening balance)	190.40	705.85	166.54	1,764.22	484.25	618.19
Cash and cash equivalents (closing balance) (refer note 2 below)	705.85	166.54	1,764.22	484.25	618.19	485.97

1. The statement of cash flow has been prepared under the "Indirect Method" as set out in Accounting Standard 3- Cash Flow Statement as prescribed in Companies (Accounting Standard) Rules, 2006 ('the Rules').

2. Closing balance of Cash and cash equivalents consists of the following:

(₹ in million)

	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Cash and cheques on hand	49.23	7.65	1.35	13.81	2.85	0.08
Bank Balances:						
- in current accounts	51.88	149.79	1,757.47	465.04	608.73	480.19
- in deposit accounts	604.74	9.10	5.40	5.40	6.61	5.70
Cash and cash equivalents	**705.85**	**166.54**	**1,764.22**	**484.25**	**618.19**	**485.97**
- in deposit accounts (maturing more than 3 months)	1,183.68	880.21	2,293.82	2,215.80	2,691.81	1,797.99
Cash and bank balances	**1,889.53**	**1,046.75**	**4,058.04**	**2,700.05**	**3,310.00**	**2,283.96**

3. Fixed Deposits with banks with maturity period of more than three months are classified and grouped in investing activities and not included in cash and cash equivalents.

4. Purchase of fixed assets is stated inclusive of movements of capital work in progress between the commencement and end of the year and is considered as part of investing activities.

5. Net Profit before tax, as restated, is computed as under:

(₹ in million)

	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Net profit before tax as per audited financial statements (A)	1,265.72	1,367.96	2,102.73	3,229.87	2,454.77	3,119.46
Adjustment on account of prior period items: [refer Note 2 to Annexure IV-II]						
Prior period expenses	-	(12.43)	12.43	-	-	-

	Financial year ended					Nine months ended
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Interest on tax	2.25	(2.25)	-	-	-	-
Total of adjustments (B)	**2.25**	**(14.68)**	**12.43**	**-**	**-**	**-**
Net profit before tax, as restated (A+B)	**1,267.97**	**1,353.28**	**2,115.16**	**3,229.87**	**2,454.77**	**3,119.46**

THE OFFER

Offer(1) (4)	6,427,378 Equity Shares aggregating ₹ [●] million
Employee Reservation Portion	250,000 Equity Shares
Therefore	
Net Offer	6,177,378 Equity Shares
Of which:	
QIB Portion(2) (3)	At least 3,088,689 Equity Shares
Of which	
Anchor Investor Portion(3)	Not more than 926,606 Equity Shares
Balance available for allocation to QIBs other than the Anchor Investors (assuming the Anchor Investor Portion is fully subscribed)	2,162,083 Equity Shares
of which	
Available for allocation to Mutual Funds only (5% of the QIB Portion excluding the Anchor Investor Portion)	108,104 Equity Shares
Balance of QIB Portion (available for QIBs including Mutual Funds)	2,053,979 Equity Shares
Non-Institutional Portion(2)	Not less than 926,607 Equity Shares
Retail Portion(2)	Not less than 2,162,082 Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	50,998,369 Equity Shares
Equity Shares outstanding after the Offer	50,998,369 Equity Shares

Allocation to all categories (including the Employee Reservation Portion), except Anchor Investor Portion, if any, shall be made on a proportionate basis.

(1) The Equity Shares offered by the Selling Shareholders in the Offer have been held by them for a period of more than one year as on the date of the Draft Red Herring Prospectus.

(2) If at least 50% of the Net Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Under subscription, if any, in the categories, except the QIB Portion, would be allowed to be met with spill-over from the other categories or combination of categories at the discretion of our Company and Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any in the Employee Reservation Portion will be added back to the Net Offer. In case of under subscription in the Net Offer, spill over to the extent of under subscription, shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting 10% of the post Offer capital of our Company.

(3) Our Company and the Selling Shareholders may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. For further details, see section titled "Offer Procedure" on page 460.

(4) In terms of the approvals (F. No. 3/2/2009/MD-I/33222 dated June 18, 2010 and F. No. 4/1/2009/MD-I dated April 22, 2010) received by our Company from the FMC, Bidders who are members of our Company (being exchange members) are not permitted to Bid in the Offer. Further, no Bidder who is a client of any member of our Company is permitted to Bid for Equity Shares exceeding 509,983 Equity Shares representing 1% or more of the post-Offer equity share capital of our Company, and no Bidder who is a broker/member of other commodity exchanges is permitted to Bid for Equity Shares exceeding 509,983 Equity Shares representing 1% or more of the post-Offer equity share capital of our Company. Further, no person shall be Allotted Equity Shares exceeding 1,019,967 Equity Shares representing 2% or more of the post-Offer equity share capital of our Company without satisfying the 'fit and proper person' criteria as set out in Note 2 to the Equity Structure Guidelines, and without obtaining the prior permission of the FMC. For further details, see section titled "Regulations and Policies" on page 162.

GENERAL INFORMATION

We were incorporated as a private limited company under the Companies Act on April 19, 2002 under the name Multi Commodity Exchange of India Private Limited. Subsequently, we were converted into a public limited company and consequently our name was changed to Multi Commodity Exchange of India Limited on May 16, 2002. We received a fresh certificate of incorporation from the RoC pursuant to the change in our name on May 28, 2002. For details of change in name and registered office, see section titled "History and Certain Corporate Matters" on page 169.

Registered Office of our Company

Multi Commodity Exchange of India Limited
Exchange Square, Suren Road
Chakala, Andheri (East)
Mumbai 400 093
CIN No.: U51909 MH 2002 PLC 135594
Website: www.mcxindia.com
Tel: (91 22) 6731 8888
Fax: (91 22) 6649 4151

Address of the RoC

The Registrar of Companies
Mumbai, Maharashtra
100, Everest, Marine Drive
Mumbai 400 002
Website: www.mca.gov.in

Board of Directors

The following persons constitute the Board of Directors:

Name and Designation	Age (years)	DIN	Address
Venkat Chary *Chairman, Non-Executive Independent Director*	71	00273036	Tahiti, Flat 5, Third Floor, Juhu Versova Link Road, Near Four Bungalows, Andheri (West), Mumbai 400 053
Jignesh P. Shah *Vice Chairman, Non-Executive Non-Independent Director*	45	00064913	R-Square, CTS no.547, Plot no.29, Jai Hind Society, N. S. Road no.12, JVPD Scheme, Vile Parle (West), Mumbai 400 049
V. Hariharan *Non-Executive Non-Independent Director*	52	00064867	Flat no. 1001, 10th floor, Satguru Paman, 15th road, Bandra (West) Mumbai 400 050
Joseph Massey *Non-Executive Non-Independent Director*	50	00043586	702, C Wing, Trans Residency No. 1, MIDC, SEEPZ, Off Mahakali Caves Road, Andheri (East), Mumbai 400 093
Lambertus Rutten *Managing Director and CEO*	49	00384169	Flat No. 1201 and 1202, 12th Floor, Raheja Sherwood C.H.S Limited, Goregaon (East), Mumbai 400 063

Name and Designation	Age (years)	DIN	Address
P.G. Kakodkar *Non-Executive Non-Independent Director*	74	00027669	Flat No. 1001, Brooke Ville, opposite Bafna Society, Moghul Lane, Mahim, Mumbai 400 016
Paras Ajmera *Non-Executive Non-Independent Director – Nominee of FTIL*	39	01381915	501, 5th Floor, Sanskruti , North South Road No.9, Plot No. 79, Hatkesh CHS Ltd., JVPD Scheme, Vile Parle (West), Mumbai 400 056
C. M. Maniar *Non-Executive Independent Director*	76	00034121	Garden House, Dadyseth, Second Cross Lane, Chowpatty Bandstand, Mumbai 400 007
Shvetal S. Vakil *Non-Executive Independent Director*	60	00140956	17, Dariya Mahal, No. 3, 80 Nepean Sea Road, Malabar Hills, Mumbai 400 006
Usha Suresh *Non-Executive Independent Director – FMC Nominee*	50	03433552	48, 4th Floor, Hyderabad Estate, 'C' Block, Nepean Sea Road, Mumbai 400 026
R. M. Premkumar *Non-Executive Independent Director – FMC Nominee*	66	00328942	101, Praneet, CHS Limited, Dr. Jayant Palkar Marg, Worli, Mumbai 400 030
K.T. Chacko *Non-Executive Independent Director – FMC Nominee*	65	02446168	C-II/17 Senior Officers Colony, Tilak Lane, New Delhi 110 001
Ashima Goyal *Non-Executive Independent Director – FMC Nominee*	56	00233635	Quarter No. B/4, "IGIDR" Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai 400 065
P. Satish *Non-Executive Independent Director – NABARD Nominee*	54	00194258	B-22/23, Krishi Vikas Sadan, Veer Savarkar Marg, Dadar (West), Mumbai 400 028
K. Venugopal *Non-Executive Non-Independent Director – State Bank of India Nominee*	57	05151613	B2/6B Harbour Heights N.A., Sawant Marg, Colaba, Mumbai 400 005

For further details of the Directors, see section titled "Our Management" on page 194.

Company Secretary and Chief Compliance Officer

P. Ramanathan
Exchange Square, Suren Road,
Chakala Andheri (East)
Mumbai 400 093
Tel: (91 22) 6731 8888
Fax: (91 22) 6649 4151
E-mail: mcxofs@mcxindia.com
Website: www.mcxindia.com

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of Allotment Advice, credit of Equity Shares Allotted in the demat account, refund orders, etc.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, number of Equity Shares Bid for, Bid Amount paid at the time of submitting the Bid cum Application Form and the bank branch or collection centre where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the SCSBs and the Syndicate Members with whom the Bid cum Application Form was submitted at the Specified Cities, giving full details such as name, address of applicant, Bid cum Application number, number of Equity Shares applied for, Bid Amount blocked at the time of submitting the Bid cum Application Form and the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Cities where the Bid cum Application Form was submitted by the ASBA Bidders.

Book Running Lead Managers

Edelweiss Financial Services Limited
14th floor, Edelweiss House
Off C.S.T. Road
Kalina
Mumbai 400 098
Tel: (91 22) 4086 3535
Fax: (91 22) 4086 3610
E-mail: mcx.ipo@edelcap.com
Website: www.edelweissfin.com
Contact Person: Dipti Samant
Investor Grievance ID:
customerservice.mb@edelcap.com
SEBI Registration No: INM0000010650

Citigroup Global Markets India Private Limited
12th Floor, Bakhtawar
Nariman Point
Mumbai 400 021
Tel: (91 22) 6631 9890
Fax: (91 22) 3919 7814
E-mail: mcx.ipo@citi.com
Website:
www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Contact Person: Priyanka Kataruka
Investor Grievance ID: investors.cgmib@citi.com
SEBI Registration No:INM000010718

Morgan Stanley India Company Private Limited
18F/ 19F, Tower 2, One Indiabulls Centre
841, Senapati Bapat Marg,
Mumbai 400 013
Tel: (91 22) 6118 1000
Fax: (91 22) 6118 1011
E-mail: mcx_ipo@morganstanley.com
Website: www.morganstanley.com/indiaofferdocuments
Contact Person: Nikhil Aggarwal
Investor Grievance ID: investors_india@morganstanley.com
SEBI Registration No: INM000011203

Syndicate Members

Edelweiss Securities Limited
2nd Floor, MB Towers, Plot No. 5
Road No. 2, Banjara Hills
Hyderabad 500 034
Tel: (91 22) 6747 1342
Fax: (91 22) 6747 1347
E-mail: mcx.ipo@edelcap.com
Website: www.edelweissfin.com
Contact Person: Prakash Boricha
SEBI Registration Nos: BSE: INB011193332;
NSE: INB231193310

Sunidhi Securities & Finance Limited
22, Rajabahadur Mansion, 3rd Floor
Mumbai Samachar Marg, Fort
Mumbai 400 001
Tel: (91 22) 66369669
Fax: (91 22) 66355673
E-mail: jigar.d@sunidhi.com
Website: www.sunidhi.com
Contact Person: Jigar Desai
SEBI Registration Nos: BSE: INB 010676436;
NSE: INB 230676436

SMC Global Securities Limited
17, Netaji Subhash Marg
Opp. Golcha Cinema
Daryaganj
New Delhi 110 002
Tel : (91 11) 6607 0400
Fax : (91 11) 2326 3297
Email: Mcx.ipo@smcindiaonline.com
Website: www.smcindiaonline.com
Contact Person: Mahesh Kumar Gupta
SEBI Registration Nos: BSE: INB011343937;
NSE: INB230771431

Legal Advisors to the Offer

Domestic Legal Counsel to the Underwriters

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Domestic Legal Counsel to our Company

J Sagar Associates
Vakils House
18 Sprott Road
Ballard Estate
Mumbai 400 001
Tel: (91 22) 4341 8600
Fax: (91 22) 4341 8617

International Legal Counsel to the Underwriters

Jones Day
3 Church Street
#14-02 Samsung Hub

Singapore 049483
Tel: +65 6538 3939
Fax: +65 6536 3939

Registrar to the Offer

Karvy Computershare Private Limited
Plot Nos. 17 – 24
Vittal Rao Nagar, Madhapur
Hyderabad 500 081
Toll Free No.: 1-800-3454001
Tel: (91 40) 4465 5000
Fax: (91 40) 2343 1551
Email: mailmanager@karvy.com
Contact Person: M. Murali Krishna
Website: http:\\karisma.karvy.com
SEBI Registration No: INR000000221

Auditors

B S R and Company, Chartered Accountants
1st Floor, Lodha Excelus
Apollo Mills Compound
NM Joshi Marg, Mahalaxmi
Mumbai 400 011
Tel: (91 22) 3989 6000
Fax: (91 22) 3090 1550
Email: ritesh@kpmg.com

Bankers to the Offer and Escrow Collection Banks

Axis Bank Limited
Court Chambers
35, Sir VithaldasThackersay Marg
New Marine Lines
Mumbai 400 020
Tel: (91 22) 2200 7705/ 91 91670 02331
Fax: (91 22) 2200 7703
E-mail: newmarinelines.branchhead@axisbank.com/ bhushan.chakradeo@axisbank.com
Website: www.axisbank.com
Contact Person: Bhushan Chakradeo
SEBI Registration No: INBI00000017

HDFC Bank Limited
FIG – OPS Department
Lodha I Think Techno Campus
O – 3 Level, Next to Kanjurmarg Railway Station
Kanjurmarg (East)
Mumbai 400 042
Tel: (91 22) 3075 2928
Fax: (91 22) 2579 9801
E-mail: deepak.rane@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Deepak Rane
SEBI Registration No: INBI00000063

ICICI Bank Limited
Capital Markets Division
30, Mumbai Samachar Marg
Mumbai 400 001
Tel: (91 22) 6631 0312/22
Fax: (91 22) 6631 0350
Email: viral.bharani@icicibank.com
Website: www.icicibank.com
Contact Person: Viral Bharani
SEBI Registration No: INBI00000004

IndusInd Bank Limited
Fort Branch, Sonawalla Building
57, Mumbai Samachar Marg
Mumbai 400 001
Tel: (91 22) 6636 6589/91/92
Fax: (91 22) 2264 4834
E-mail: yogesh.adke@indusind.com
Website: www.indusind.com
Contact Person: Yogesh Adke
SEBI Registration No: INBI00000002

Standard Chartered Bank
Crescenzo, Floor 3A
C-38/39,G Block
Behind MCA Club
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Tel: (91 22) 6115 7227
Fax: (91 22) 2209 6067
E-mail:Priscilla.Dsilva@sc.com
/Joseph.George@sc.com
Website: www.standardchartered.co.in
Contact Person: Priscilla Dsilva and Joseph George
SEBI Registration No: INBI00000885

State Bank of India, Capital Market Branch
Videocon Heritage (Killic House)
Ground Floor, Charanjit Rai Marg
Mumbai 400 001
Tel: (91 22) 2209 4932/ 2209 4927
Fax: (91 22) 2209 4921/ 2209 4922
E-mail: nib.11777@sbi.co.in; sbi11777@yahoo.co.in
Website: www.statebankofindia.com
Contact Person: R.K. Prasad
SEBI Registration No: INBI00000038

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1325570097787.html. For details on the Designated Branches of SCSBs collecting the Bid cum Application Form, please refer to the above mentioned link.

Monitoring Agency

Since the Offer is a pure offer for sale and the Company would not receive any proceeds from the Offer, our Company has not appointed a Monitoring Agency for the Offer.

Bankers to our Company

Axis Bank Limited
Jeevan Prakash Bldg
Sir P.M. Road, Fort
Mumbai 400 001
Tel: (91 22) 6610 7250/51
Fax: (91 22) 6610 7284/85
Email:sunil.sharma@axisbank.comC
Contact: Sunil Sharma

Bank of India
Bullion Exchange Branch
Sheikh Memon Street
Zaveri Bazar
Mumbai 400 002
Tel: (91 22) 6744 3304/05
Fax: (91 22) 2343 7073
Email:
BullionExchange.MumbaiSouth@bankofindia.co.in
Contact: A.K. Verma

Citibank N.A.
Citigroup Center, 7th Floor
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051
Tel: (91 22) 4001 5192
Fax: (91 22) 4006 5872
Email: satish1.chandra@citi.com
Contact: Satish Chandra

Corporation Bank
Capital Market Branch
First Floor, Earnest House
NCPA Marg, Nariman Point
Mumbai 400 021
Tel: (91 22) 2284 1406
Fax: (91 22) 2284 3823
Contact: Vivek Kumar

Development Credit Bank Limited
Trade Point, First Floor,
Kamla Mills, Lower Parel,
Mumbai 400 013
Tel: (91 22) 6641 7110
Fax: (91 22) 2423 1520
Email: puneet.verma@dcbbank.com
Contact: Puneet Verma

ICICI Bank Limited
Capital Market Division
Raja Bahadur Mansion
30, Mumbai Samachar Marg
Mumbai 400 001
Tel: (91 22) 6631 0321
Fax : (91 22) 6631 0350
Email:
devla.manhas@icicibank.com
Contact: Devla Manhas

Indusind Bank Limited
Ground Floor
Sonawalla Building
57, Mumbai Samachar Marg
Fort, Mumbai 400 001
Tel: (91 22) 6636 6589/91
Fax: (91 22) 6636 6590
Email:yogesh.adke@indusind.com
Contact: Yogesh Adke

State Bank of India
Capital Market Branch (11777)
Videocon Heritage
Killic House
Opposite MTNL Office
Chanaranjit Rai Marg
Fort, Mumbai 400 001
Tel: (91 22) 2209 4932
Fax: (91 22) 2209 4922
Email: sbi.11777@sbi.co.in
Contact: R. K. Prasad

Union Bank of India
Zaveri Bazar Branch
Vankatesh Bhavan
86, Mirza Street
Zaveri Bazar
Mumbai 400 003
Tel: (91 22) 2341 0338
Fax: (91 22) 2342 0211
Email:
cbszaveri@unionbankofindia.com
Contact: Rajeev Ratan Singh

Canara Bank
1st floor, Stock & Commodity
Exchange Branch, 11, Homji Street
Verma Chambers, Fort
Mumbai 400 001
Tel: (91 22) 2269 3157
Fax: (91 22) 2267 0033
E-mail: cb2426@canarabank.com;
managercb2426@canarabank.com
Contact: Sabu J. Mechery

HDFC Bank Limited
Capital & Commodity Markets
Division
Manekji Wadia Building
1st Floor, Nanik Motwane Marg
Fort, Mumbai 400 001
Tel: (91 22) 2498 8484 (Ext. 3567)
Fax: (91 22) 4080 4711
Email:samit.mehta@hdfcbank.com
Contact: Samit Mehta

Tamilnad Mercantile Bank Limited
57, V.E Road,
Thoothukudi 628 002
Tel: (91 0461) 232 1932
Fax: (91 0461) 232 2994
Email: bd@tnmbonline.com
Contact: Gunasekaran

Yes Bank Limited
Nehru Centre, 9th Floor
Discovery of India
Dr.A.B. Road, Worli
Mumbai 400 018
Tel: (91 22) 6669 9000/ 6620 9124
Fax: (91 22) 2490 0314/ 2490 1128
Email: hemanshi.mehta@yesbank.in
Contact: Hemanshi Mehta

Kotak Mahindra Bank Limited
3rd and 5th Floor, Dani Corporate
Park 158, CST Road, Kalina
Santacruz (E)
Mumbai 400 098
Tel: (91 22) 6759 5559
Fax: (91 22) 6759 5364
Email: parag.srivastava@kotak.com
Contact: Parag Srivastava

The Dhanalakshmi Bank Limited
Trade view building, II Floor
Kamala Mills Compound
P.B. Marg
Lower Parel (West)
Mumbai 400 013
Tel: (91 22) 6154 1700
Fax: (91 22) 6154 1725
Email:
venkataraghavan.ta@dhanbank.co.in
Contact: Venkataraghavan T

Punjab National Bank
227, Baba House, 27th Road
Linking Road, Bandra (W)
Mumbai 400 050
Tel: (91 22) 2641 5729
Fax: (91 22) 2642 0456
Email: pnbbandra@pnb.co.in
Contact: Sunil Jadhav

Statement of Inter Se Allocation of Responsibilities for the Offer

The following table sets forth the distribution of responsibility and coordination for various activities amongst Edelweiss, Citi and Morgan Stanley as the BRLMs:

No	Activities	Responsibility	Coordinator
1.	Capital structuring with relative components and formalities such as composition of the debt and equity, type of instruments, etc.	Edelweiss, Morgan	Edelweiss

No	Activities	Responsibility	Coordinator
		Stanley, Citi	
2.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of the Offer document and of statutory advertisement including memorandum containing salient features of the Prospectus. (The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, RoC and SEBI including finalization of Prospectus and RoC filing)	Edelweiss, Morgan Stanley, Citi	Edelweiss
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above but including corporate advertisement, brochure, corporate films etc	Edelweiss, Morgan Stanley, Citi	Morgan Stanley
4.	Appointment of other intermediaries viz., Registrar(s), Printers, Escrow Collection Banks, Advertising Agency, IPO Grading Agency, Monitoring Agency (if required)	Edelweiss, Morgan Stanley, Citi	Morgan Stanley
5.	Preparation of roadshow presentation and FAQs	Edelweiss, Morgan Stanley, Citi	Morgan Stanley
6.	International Institutional marketing strategy: – Finalise the list and division of investors – Follow up on distribution of publicity and issue materials including for one to one meetings	Edelweiss, Morgan Stanley, Citi	Citi
7.	Domestic Institutional marketing strategy: – Finalise the list and division of investors – Follow up on distribution of publicity and issue materials including for one to one meetings	Edelweiss, Morgan Stanley, Citi	Morgan Stanley
8.	Retail marketing strategy – Finalise centers for holding conference for brokers etc. – Finalise media, marketing & PR Strategy – Follow up on distribution of publicity and issue materials including form, prospectus and deciding on the quantum of the Offer material – Finalise bidding and collection centers	Edelweiss, Morgan Stanley, Citi	Edelweiss
9.	Non-Institutional marketing strategy – Finalise centers for holding conference for brokers etc.	Edelweiss, Morgan Stanley, Citi	Edelweiss

No	Activities	Responsibility	Coordinator
	– Finalise media, marketing & PR Strategy – Follow up on distribution of publicity and issue materials including form, prospectus and deciding on the quantum of the Offer material – Finalise bidding centers		
10.	Pricing, Managing the book and coordination with Stock-Exchanges on bidding terminals, mock trading etc	Edelweiss, Morgan Stanley, Citi	Citi
11.	The post bidding activities including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders etc	Edelweiss, Morgan Stanley, Citi	Citi
12.	The Post Offer activities for the Offer will involve essential follow up steps, which include the finalization of the basis of allotment, dispatch of refunds, demat of delivery of shares, finalization of listing and trading of instruments with the various agencies connected with the work such as the Registrar(s) to the Offer and Bankers to the Offer and the redressal of investor grievances in relation to post issue activities. (The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company)	Edelweiss, Morgan Stanley, Citi	Citi

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

IPO Grading

This Offer has been graded by CRISIL, a SEBI registered credit rating agency, and has been assigned a grade of 5/5, indicating strong fundamentals vide their letter dated December 15, 2011 (together with a rating rationate dated January 6, 2012). The IPO Grading is assigned on a five point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For details in relation to the rationale/ description furnished by the IPO grading agency, see Annexure beginning on page 521.

Experts

Except as stated below, our Company has not obtained any expert opinions:

We have received consent dated September 20, 2011 from V. Sankar Aiyar & Co., chartered accountants, to include their names as an expert in this Red Herring Prospectus in relation to the statement of tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus.

We have received consent dated January 30, 2012 from B S R and Company, Chartered Accountants, our Company's statutory auditors, to include their names as an expert, as defined under section 59 of the Companies Act and should not be construed to be defined under the Securities Act, in this Red Herring Prospectus in relation to their report dated January 25, 2012 on standalone financial statements as of and for the year ended March 31, 2007, 2008, 2009, 2010, 2011 and as of and for the period ended December 31, 2011 and consolidated financial statements of the Company as of and for the year ended March 31, 2009, 2010, 2011 and as of and for the period ended December 31, 2011 in the form and context in which it appears in this Red Herring Prospectus. As the offered securities have not been and will not be registered under the Securities Act, the Auditors have not filed the consent under the Securities Act.

CRISIL Limited, the agency engaged by us for the purpose of obtaining IPO grading in respect of this Offer, has given its written consent dated January 31, 2012 to the inclusion of its report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been and shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the RoC and the Designated Stock Exchange.

Trustees

As the Offer is of Equity Shares, the appointment of Trustees is not required.

Project Appraisal

There is no project being appraised.

Book Building Process

The Book Building Process, with reference to the Offer, refers to the process of collection of Bids on the basis of this Red Herring Prospectus within the Price Band, which will be decided by the Company and the Selling Shareholders, in consultation with the BRLMs, and advertised at least two Working Days prior to the Bid/ Offer Opening Date. The Offer Price is finalised after the Bid/Offer Closing Date by the Company in consultation with the BRLMs. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholders;
- the BRLMs;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the BSE/the NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLMs;
- Registrar to the Offer;
- Escrow Collection Banks; and
- Self Certified Syndicate Banks.

In terms of Rule 19(2)(b)(ii) of SCRR, this is an Offer for at least 10% of the post-Offer capital where the post-Offer capital of our Company calculated at the Offer Price will be more than ₹ 40,000 million. The Offer is being made through the 100% Book Building Process wherein at least 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Offer Price.

In accordance with the SEBI Regulations, QIBs are not allowed to withdraw their Bid(s) after the Bid/Offer Closing Date. Anchor Investors will not be allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period. For further details, see section titled "Terms of the Offer" on page 452.

In terms of the approvals (F. No. 3/2/2009/MD-I/33222 dated June 18, 2010 and F. No. 4/1/2009/MD-I dated April 22, 2010) received by our Company from the FMC, Bidders who are members of our Company (being exchange members) are not permitted to Bid in the Offer. Further, no Bidder who is a client of any member of our Company is permitted to Bid for Equity Shares exceeding 509,983 Equity Shares representing 1% or more of the post-Offer equity share capital of our Company, and no Bidder who is a broker/member of other commodity exchanges is permitted to Bid for Equity Shares exceeding 509,983 Equity Shares representing 1% or more of the post-Offer equity share capital of our Company. Further, no person shall be Allotted Equity Shares exceeding 1,019,967 Equity Shares representing 2% or more of the post-Offer equity share capital of our Company without satisfying the 'fit and proper person' criteria as set out in Note 2 to the Equity Structure Guidelines, and without obtaining the prior permission of the FMC. For further details, see section titled "Regulations and Policies" on page 162.

Our Company and the Selling Shareholders shall comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Offer. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage the Offer and procure subscriptions to the Offer.

The Book Building Process under the SEBI Regulations is subject to change from time to time and investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors or under the ASBA process)*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per equity share, offer size of 3,000 equity shares and receipt of five bids from bidders of which one bidder has bid for 500 equity shares at ₹ 24 per equity share while another has bid for 1,500 equity shares at ₹ 22 per equity share. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book given below shows the demand for the shares of a company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the company is able to offer the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The company in consultation with the BRLMs will finalise the issue price at or below such cut-off price, i.e., at or below ₹ 22. All bids at or above the issue price and cut-off price are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (For further details, see section titled "Offer Procedure - Who Can Bid?" on page 461);

2. Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Except for Bids on behalf of the Central or State Governments and the officials appointed by the courts, for Bids of all values, ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see section titled "Offer Procedure" on page 460). Further, Bidders residing in the State of Sikkim are exempted from the mandatory requirement of PAN. The exemption is subject to the

Depository Participants' verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address;

4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

5. Ensure the correctness of your demographic details given in the Bid cum Application Form, with the details recorded with your Depository Participants;

6. Bids by QIBs (excluding the Anchor Investors) and Non-Institutional Investors shall be submitted only through the ASBA process; and

7. ASBA Bidders will have to submit their Bids (physical form) to the Designated Branches except for the ASBA Bids in the Specified Cities. In case of the Specified Cities, the ASBA Bids may either be submitted with the Designated Branches or with the Syndicate. ASBA Bidders should ensure that the ASBA Account has adequate credit balance at the time of submission of the Bid cum Application Form to the SCSB to ensure that the Bid is not rejected.

Underwriting Agreement

After the determination of the Offer Price and allocation of the Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement shall be to the extent of the Bids uploaded by the Underwriter, including through its Syndicate/Sub-Syndicate. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (In ₹ Million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned is indicative underwriting and this would be finalized after the pricing and actual allocation.

In the opinion of the Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act or registered as brokers with the stock exchange. Our Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLMs and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the BSE, which the Company shall apply for after Allotment.

CAPITAL STRUCTURE

Our share capital as at the date of this Red Herring Prospectus is set forth below:

(₹ in million)

		Aggregate Value at nominal value	**Aggregate Value at Offer Price**
A)	**AUTHORISED SHARE CAPITAL**		
	70,000,000 Equity Shares	700.00	
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**		
	50,998,369 Equity Shares fully paid-up	509.98	
C)	**PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS***		
	6,427,378 Equity Shares fully paid up**	64.27	[•]
D)	**EMPLOYEE RESERVATION PORTION**		
	Up to 250,000 Equity Shares fully paid up	2.50	[•]
E)	**NET OFFER TO THE PUBLIC**		
	At least 6,177,378 Equity Shares fully paid up	61.77	[●]
F)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	2,168.42	
	After the Offer	2,168.42	
G)	**EQUITY CAPITAL AFTER THE OFFER**		
	50,998,369 Equity Shares fully paid-up	509.98	

* *The Offer has been authorised pursuant to resolutions of the board of directors of each of the Selling Shareholders.*

** *Out of the Offer of a total of 6,427,378 Equity Shares, 2,643,916 Equity Shares are being offered by FTIL, 2,112,025 Equity Shares are being offered by SBI (Equity), 781,508 Equity Shares are being offered by GLG, 390,754 Equity Shares are being offered by Alexandra, 246,175 Equity Shares are being offered by Corporation Bank, 148,000 Equity Shares are being offered by ICICI Lombard and 105,000 Equity Shares are being offered by BoB. The Equity Shares being offered by the Selling Shareholders under the Offer have been held by such Selling Shareholders for a period of more than one year prior to filing of the Draft Red Herring Prospectus with SEBI.*

Our Company has granted a loan to the ESOP Trust for acquisition of Equity Shares under the ESOP 2008. For details, see "– Notes to Capital Structure – No. 28" on page 81.

Changes in the Authorised Share Capital of our Company

1) Our Company's initial authorised share capital of ₹ 500,000 comprising 50,000 Equity Shares of ₹ 10 each was increased to ₹ 110,000,000 comprising 11,000,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders at an EGM held on March 17, 2003.

2) Our Company's authorised share capital of ₹ 110,000,000 comprising 11,000,000 Equity Shares of ₹ 10 each was increased to ₹ 180,000,000 comprising 18,000,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders at an EGM held on February 27, 2004.

3) Our Company's authorised share capital of ₹ 180,000,000 comprising 18,000,000 Equity Shares of ₹ 10 each was increased to ₹ 300,000,000 comprising 30,000,000 Equity Shares of ₹ 10 each pursuant to a

resolution of our shareholders at an EGM held on April 3, 2004.

4) Our Company's authorised share capital of ₹ 300,000,000 comprising 30,000,000 Equity Shares of ₹ 10 each was increased to ₹ 500,000,000 comprising 50,000,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders at an EGM held on February 5, 2005.

5) Our Company's authorised share capital of ₹ 500,000,000 comprising 50,000,000 Equity Shares of ₹ 10 each was sub-divided to ₹ 500,000,000 comprising 100,000,000 Equity Shares of ₹ 5 each pursuant to a resolution of our shareholders at an AGM held on September 1, 2007.

6) Our Company's authorised share capital of ₹ 500,000,000 comprising 100,000,000 Equity Shares of ₹ 5 each was increased to ₹ 700,000,000 comprising 140,000,000 Equity Shares of ₹ 5 each pursuant to a resolution of our shareholders at an AGM held on September 30, 2010.

7) Our Company's authorised share capital of ₹ 700,000,000 comprising of 140,000,000 Equity Shares of ₹ 5 each was consolidated to ₹ 700,000,000 comprising 70,000,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders at an EGM held on March 14, 2011.

Notes to Capital Structure

1. **a) Share capital allotment history of our Company**

Date of allotment of the Equity Shares	No. of equity shares	Face Value (₹)	Issue Price (₹)	Nature of Payment	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (₹ million)	Cumulative Securities Premium (₹ Million)
April 19, 2002	5,000	10	10	Cash	Issued to V. Hariharan as subscription to Memorandum*	5,000	0.05	Nil
April 19, 2002	5,000	10	10	Cash	Issued to Rinsy Ansalam as subscription to Memorandum*	10,000	0.10	Nil
April 22, 2002	39,600	10	10	Cash	Allotment to La-Fin Financial Services Private Limited*	49,600	0.496	Nil
April 22, 2002	100	10	10	Cash	Allotment to Sajit Dayanandan*	49,700	0.497	Nil
April 22, 2002	100	10	10	Cash	Allotment to Dewang Neralla*	49,800	0.498	Nil
April 22, 2002	100	10	10	Cash	Allotment to Ajay Narsimhan*	49,900	0.499	Nil
April 22, 2002	100	10	10	Cash	Allotment to Manjay Shah*	50,000	0.50	Nil
September 6, 2003	10,000,000	10	Nil	Consideration other than Cash**	Allotment to FTIL	10,050,000	100.50	Nil
March 10, 2004	5,000,000	10	Nil	Consideration other than Cash**	Allotment to FTIL	15,050,000	150.50	Nil
April 5, 2004	420,000	10	10	Cash	Allotment to Union Bank of India	15,470,000	154.70	Nil
May 14, 2004	420,000	10	10	Cash	Allotment to Corporation Bank	15,890,000	158.90	Nil
June 7, 2004	420,000	10	10	Cash	Allotment to Bank	16,310,000	163.10	Nil

Date of allotment of the Equity Shares	No. of equity shares	Face Value (₹)	Issue Price (₹)	Nature of Payment	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (₹ million)	Cumulative Securities Premium (₹ Million)
					of India			
July 1,2004	2,100,000	10	10	Cash	Allotment to State Bank of India (Equity)	18,410,000	184.10	Nil
July 9, 2004	420,000	10	10	Cash	Allotment to Canara Bank	18,830,000	188.30	Nil
August 31, 2004	210,000	10	10	Cash	Allotment to State Bank of Indore	19,040,000	190.40	Nil
August 31, 2004	420,000	10	10	Cash	Allotment to Bank of Baroda	19,460,000	194.60	Nil
October 22, 2004	210,000	10	10	Cash	Allotment to State Bank of Hyderabad	19,670,000	196.70	Nil
December 28, 2004	1,000,000	10	10	Cash	Allotment to Corporation Bank	20,670,000	206.70	Nil
December 28, 2004	210,000	10	10	Cash	Allotment to SBI Life Insurance Company Limited	20,880,000	208.80	Nil
December 28, 2004	210,000	10	10	Cash	Allotment to State Bank of Saurashtra	21,090,000	210.90	Nil
March 9, 2005	420,000	10	10	Cash	Allotment to HDFC Bank Limited	21,510,000	215.10	Nil
April 11, 2005	10,000,000	10	10	Cash	Allotment to FTIL	31,510,000	315.10	Nil
May 5, 2005	1,000,000	10	10	Cash	Allotment to NSE	32,510,000	325.10	Nil
June 1, 2005	1,250,000	10	10	Cash	Allotment to NABARD	33,760,000	337.60	Nil
July 1, 2005	210,000	10	10	Cash	Allotment to State Bank of Patiala	33,970,000	339.70	Nil
August 1, 2005	756,825	10	148.65	Cash	Allotment to Bennett Coleman & Co. Limited	34,726,825	347.27	104.93
November 2, 2005	210,000	10	10	Cash	Allotment to State Bank of Travancore	34,936,825	349.37	104.93
November 2, 2005	210,000	10	10	Cash	Allotment to State Bank of Mysore	35,146,825	351.47	104.93
November 2, 2005	210,000	10	10	Cash	Allotment to State Bank of Bikaner & Jaipur	35,356,825	353.57	104.93
February 3, 2006	3,600,000	10	600	Cash	Allotment to FID Funds (Mauritius) Limited	38,956,825	389.57	2,228.93
March 23, 2007	118,589	10	28	Cash	Allotment to employees under Employee Stock Option Scheme 2006.	39,075,414	390.75	2,151.48***

Date of allotment of the Equity Shares	No. of equity shares	Face Value (₹)	Issue Price (₹)	Nature of Payment	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (₹ million)	Cumulative Securities Premium (₹ Million)
October 1, 2007	Sub-division of the Equity Shares from face value of ₹ 10 per Equity Share to face value of ₹ 5 per Equity Share					78,150,828	390.75	2,151.48
March 24, 2008	331,559	5	14	Cash	Allotment to employees under Employee Stock Option Scheme 2006	78,482,387	392.41	2,054.63***
July 2, 2008	2,600,000	5	85	Cash	Allotment to MCX ESOP Trust under Employee Stock Option Scheme 2008	81,082,387	405.41	2,262.63
March 31, 2009	509,003	5	14	Cash	Allotment to employees under Employee Stock Option Scheme 2006	81,591,390	407.96	2,264.70#
September 23, 2009	4,600	5	14	Cash	Allotment to employees under Employee Stock Option Scheme 2006	81,595,990	407.98	2,270.39#
December 17, 2009	400	5	14	Cash	Allotment to employees under Employee Stock Option Scheme 2006	81,596,390	407.98	2,270.40#
February 15, 2010	1,000	5	14	Cash	Allotment to employees under Employee Stock Option Scheme 2006	81,597,390	407.99	2,270.41#
March 14, 2011	Consolidation of two Equity Shares of the face value of ₹ 5 per Equity Share to one Equity Share of the face value of ₹ 10 per Equity Share					40,798,695	407.99	2,270.41#
March 15, 2011	10,199,674	10	-	Bonus issue in the ratio of one Equity Share for every four Equity Shares held on the record date	Allotment to the shareholders of our Company as on the record date	50,998,369	509.98	2,168.42 ##

* *These Equity Shares were transferred to FTIL on August 25, 2003.*

** *These Equity Shares were allotted to FTIL in consideration for software provided by FTIL to our Company under certain software agreements. For more details, see section titled "History and Certain Corporate Matters - Agreements with our Promoter/ Promoter Group" on page 172.*

*** *The reduction of securities premium was due to share issue expenses being written off against securtities premium.*

\# *The effect of share issue expenses and service tax has been taken into account in arriving at the securities premium.*

\## *The bonus issue was undertaken through capitalisation of the securities premium account aggregating ₹ 101.99 million.*

b. Details of Equity Shares of our Company issued for consideration other than cash:

S. No.	Date of allotment of Equity Shares	Number of Equity Shares	Persons to whom the Equity Shares were issued	Face Value of the Equity Shares	Issue Price (₹)	Reason for Allotment
1.	September 6, 2003	10,000,000	FTIL	10	Nil	Allotment to FTIL in consideration for software provided by FTIL to our Company under a software development agreement dated February 27, 2003.*
2.	March 10, 2004	5,000,000	FTIL	10	Nil	Allotment to FTIL in consideration for software provided by FTIL to our Company under a software development agreement dated December 23, 2003.*
3.	March 15, 2011	10,199,674	Allotment to the shareholders of our Company as on the record date	10	Nil	Allotment of one bonus share for every four Equity Shares held as per the bonus declared by the Company in the EGM held on March 14, 2011.

* *For details in relation to the software agreement, see section titled "History and Certain Corporate Matters- Agreements with our Promoter/ Promoter Group" on page 172.*

2. **Build-up of Promoter shareholding**

The following table details the build-up of shareholding of our Promoter, FTIL.

Date on which the Equity Shares were allotted/ transferred	Reason/ mode of allotment/ transfer	No. of Equity Shares	Face Value (₹)	Issue / Acquisition price/ sale price (₹)	Nature of payment of consideration	Cumulative no. of Equity Shares	Percentage of pre-Offer cumulative paid up capital	Percentage of post-Offer cumulative paid up capital	Percentage of pledged shares, if any
August 25, 2003	Transfer	50,000	10	10.00	Cash	50,000	0.10	0.10	Nil
September 6, 2003	Allotment	10,000,000	10	Nil	Other than Cash*	10,050,000	19.71	19.71	Nil
March 10,	Allotment	5,000,000	10	Nil	Other than Cash*	15,050,000	29.51	29.51	Nil

Date on which the Equity Shares were allotted/ transferred	Reason/ mode of allotment/ transfer	No. of Equity Shares	Face Value (₹)	Issue / Acquisition price/ sale price (₹)	Nature of payment of consideration	Cumulative no. of Equity Shares	Percentage of pre-Offer cumulative paid up capital	Percentage of post-Offer cumulative paid up capital	Percentage of pledged shares, if any
2004									
April 11, 2005	Allotment	10,000,000	10	10.00	Cash	25, 050,000	49.12	49.12	Nil
September 26, 2007	Transfer	(1,953,770)	10	1,050.00	Sale by Promoters (cash)	23,096,230	45.29	45.29	Nil
September 27, 2007	Transfer	(1,953,770)	10	1,050.00	Sale by Promoters (cash)	21,142,460	41.46	41.46	Nil
Pursuant to a resolution passed by the shareholders of our Company on September 1, 2007, effective from October 1, 2007, the authorised share capital of our Company of ₹ 500,000,000 comprising 50,000,000 Equity Shares of ₹ 10 each was sub-divided to ₹ 500,000,000 comprising 100,000,000 Equity Shares of ₹ 5 each									
October 1, 2007	Sub-division of face value of Equity Shares	21,142,460	5	-	-	42,284,920	41.46	41.46	Nil
October 25, 2007	Transfer	(1,563,016)	5	577.50	Sale by Promoters (cash)	40,721,904	39.92	39.92	Nil
October 29, 2007	Transfer	(2,344,524)	5	577.50	Sale by Promoters (cash)	38,377,380	37.63	37.63	Nil
November 7, 2007	Transfer	(2,476,190)	5	525.00	Sale by Promoters (cash)	35,901,190	35.20	35.20	Nil
November 19, 2007	Transfer	(296,000)	5	525.00	Sale by Promoters (cash)	35,605,190	34.91	34.91	Nil
November 30, 2007	Transfer	(3,907,540)	5	525.00	Sale by Promoters (cash)	31,697,650	31.08	31.08	Nil
December 13, 2007	Transfer	(521,000)	5	577.50	Sale by Promoters (cash)	31,176,650	30.57	30.57	Nil
December 14, 2007	Transfer	(781,508)	5	577.50	Sale by Promoters (cash)	30,395,142	29.80	29.80	Nil
December 20, 2007	Transfer	(260,508)	5	577.50	Sale by Promoters (cash)	30,134,634	29.54	29.54	Nil
December 24, 2007	Transfer	(781,508)	5	577.50	Sale by Promoters (cash)	29,353,126	28.78	28.78	Nil
June 25, 2008	Transfer	(3,907,540)	5	559.21	Sale by Promoters (cash)	25,445,586	24.95	24.95	Nil
Pursuant to a resolution passed by the shareholders of our Company on March 14, 2011, the authorised share capital of our Company of ₹ 700,000,000 comprising 140,000,000 Equity Shares of ₹ 5 each was consolidated to ₹ 700,000,000 comprising 70,000,000 Equity Shares of ₹ 10 each									
March 14, 2011	Consolidation of face value of Equity Shares	-	10	-	-	12,722,793	24.95	24.95	Nil
March 15, 2011	Bonus Issue	3,180,698	10	-	Bonus issue in the ratio of one Equity Share for every four Equity Shares held on the record date	15,903,491	31.18	31.18	Nil

[*] These Equity Shares were allotted to FTIL in consideration for software provided by FTIL to our Company under certain software agreements. For more details, see section titled "History and Certain Corporate Matters- Agreements with our Promoter/ Promoter Group" on page 172.

3. **Details of shareholding of the Promoter Group (other than the Promoter) and/or directors of our Promoter in our Company, as on the date of this Red Herring Prospectus:**

Sr .No.	Name of the Shareholder	Number of Equity Shares	Percentage of Shareholding
1.	P.G. Kakodkar	1,875	Negligible
2.	C. M. Maniar	1,250	Negligible

4. **Promoter's contribution and lock-in**

(a) Details of the Equity Shares forming part of Promoter's contribution, which shall be locked-in for three years

Pursuant to the SEBI Regulations, an aggregate of 20% of the post-Offer equity share capital of our Company held by the Promoters shall be locked in as minimum Promoters' contribution. Such lock-in shall commence from the date of Allotment in the Offer and shall continue for a period of three years from such date. The Equity Shares, which are being locked-in as minimum Promoter's contribution, are eligible for computation of minimum Promoter's contribution in accordance with the provisions of the SEBI Regulations.

The details of the Equity Shares forming part of the Promoter's contribution which shall be locked in for a period of three years have been provided below:

Name	Date on which the Equity Shares were allotted / acquired	Nature of allotment/ transfer	Nature of consideration	Number of Equity Shares	Face value	Issue/ Transfer Price	% of post-Offer paid-up equity capital
FTIL	March 15, 2011	Bonus Issue	Bonus issue of one Equity Share for every four Equity Shares held on the record date	3,180,698	10	-	6.24
	April 11, 2005	Allotment	Cash	7,018,976	10	10	13.76

The minimum Promoter's contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoter under the SEBI Regulations.

All the Equity Shares which are being locked-in are not ineligible for computation of Promoter's contribution as per Regulation 33 of the SEBI Regulations and are being locked-in under Regulation 36 of the SEBI Regulations.

Our Company has obtained specific written consent from the Promoter for inclusion of the Equity Shares held by them in the minimum Promoter's contribution subject to lock-in. Further, the Promoter has given an undertaking to the effect that it shall not sell/transfer/dispose of in any manner, the Equity Shares forming part of the minimum Promoter's contribution from the date of filing this Red Herring Prospectus till the date of commencement of lock-in as per the SEBI Regulations.

Equity Shares held by the Promoter and offered as minimum Promoter's contribution are free from pledge.

(b) Details of pre-Offer Equity Share capital locked-in for one year

In terms of the SEBI Regulations, in addition to the lock-in of 20% of the post-Offer shareholding of the Promoters for three years as specified above, the balance pre-Offer share capital of our Company shall be locked in for a period of one year from the date of allotment in the Offer. However, Equity Shares allotted to certain employees of the Company pursuant to the ESOP 2006 and ESOP 2008 shall not be subject to any lock-in as applicable in accordance with the provisions of the SEBI Regulations, except for:

(i) ex-employees of our Company, who were allotted Equity Shares pursuant to the ESOP Schemes; and

(ii) employees of FTIL who were allotted Equity Shares under ESOP 2006, since FTIL was previously the holding company of our Company.

In terms of the SEBI Regulations, Equity Shares held by the shareholders who are venture capital funds/venture capital investors for a period of at least one year as on the date of this Red Herring Prospectus will not be subject to lock-in as aforesaid. The details of such Equity Shares held by the venture capital funds/venture capital investors for a period exceeding one year are set forth in the table below:

Name of shareholder	Date of acquisition	Nature of acquisition	No. of Equity Shares*
ICICI Trusteeship Services Limited A/C ICICI Emerging Sectors Fund	November 7, 2007	Transfer	1,079,345
Sub-total (A)			**1,079,345**
Kotak Mahindra Trusteeship Services Limited-A/C India Growth Fund, A Unit Scheme of Kotak Seaf India Fund	December 13, 2007	Transfer	260,500
	December 20, 2007	Transfer	130,254
Sub-total (B)			**390,754**
Total (A + B)			**1,470,099**

* *The Equity Share capital of our Company was consolidated from 140,000,000 Equity Shares of face value ₹ 5 each to 70,000,000 Equity Shares of face value ₹ 10 each pursuant to a resolution of shareholders at an EGM held on March 14, 2011. The shareholding of the entities mentioned above reflects their shareholding in our Company post the consolidation of the Equity Share capital of our Company.*

(c) Other requirements in respect of lock in

The Equity Shares held by the Promoter which are locked-in for a period of three years as minimum Promoter's contribution can be pledged with any scheduled commercial bank or a public financial institution as collateral security for loans granted by such bank or institution. Provided that, such pledge can be created only if the pledge of the Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by the Promoter which are locked-in for a period of one year can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such bank or financial institution, provided that the pledge of the Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by the Promoter and locked-in may be transferred to and amongst the Promoter Group or to a new promoter or persons in control of the Company, subject to the continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

The Equity Shares held by persons other than the Promoter and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code, as applicable.

(d) Lock-in of Equity Shares to be issued, if any, to the Anchor Investor

Any Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Offer.

5. Shareholding pattern of our Company before and after the Offer

The table below presents our shareholding pattern as on the date of the Red Herring Prospectus and as adjusted for the Offer:

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHARE-HOLDERS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL NUMBER OF SHARES (POST OFFER)	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		NO. OF SHARES PLEDGED OR OTHERWISE ENCUMBERED
						PRE-OFFER AS A PERCENTAGE of (A+B)	POST-OFFER* AS A PERCENTAGE of (A+B)	
(I)	**(II)**	**(III)**	**(IV)**	**(V)**		**(VI)**		
(A)	**PROMOTER AND PROMOTER GROUP**							
(1)	INDIAN	1	15,903,491	15,903,491	13,259,575	31.18	26.00	Nil
(a)	Individual /HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	**Bodies Corporate**	**1**	**15,903,491**	**15,903,491**	**13,259,575**	**31.18**	**26.00**	**Nil**
	Financial Technologies (India) Limited	1	15,903,491	15,903,491	13,259,575	31.18	26.00	Nil
(d)	Financial Institutions / Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total A(1) :	**1**	**15,903,491**	**15,903,491**	**13,259,575**	**31.18**	**26.00**	
(2)	FOREIGN	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(a)	Individuals (NRIs/Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total A(2) :	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total A=A(1)+A(2)	**1**	**15,903,491**	**15,903,491**	**13,259,575**	**31.18**	**26.00**	**Nil**
(B)	**PUBLIC SHAREHOLDING**							
(1)	INSTITUTIONS							
(a)	Mutual Funds /UTI	Nil	Nil	Nil	[●]	Nil	[●]	Nil
(b)	**Financial Institutions /Banks**	**14**	**12,357,243**	**12,357,243**	**[●]**	**24.23**	**[●]**	**Nil**
	State Bank Of India**(1)	1	2,640,031	2,640,031	528,006	5.18	1.04	Nil
	Corporation Bank**(1)	1	1,775,000	1,775,000	1,528,825	3.48	3.00	Nil
	Union Bank Of India**(1)	1	525,000	525,000	525,000	1.03	1.03	Nil
	Hdfc Bank Ltd**(1)	1	525,000	525,000	525,000	1.03	1.03	Nil
	Bank Of Baroda**	1	525,000	525,000	420,000	1.03	0.82	Nil
	Bank Of India**(1)	1	525,000	525,000	525,000	1.03	1.03	Nil
	Canara Bank-Mumbai**(1)	1	525,000	525,000	525,000	1.03	1.03	Nil
	State Bank Of Mysore	1	262,500	262,500	262,500	0.51	0.51	Nil
	State Bank Of Bikaner & Jaipur	1	262,500	262,500	262,500	0.51	0.51	Nil
	State Bank Of Hyderabad	1	262,500	262,500	262,500	0.51	0.51	Nil
	State Bank Of Patiala	1	262,500	262,500	262,500	0.51	0.51	Nil
	State Bank Of Travancore	1	262,500	262,500	262,500	0.51	0.51	Nil

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHARE-HOLDERS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL NUMBER OF SHARES (POST OFFER)	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		NO. OF SHARES PLEDGED OR OTHERWISE ENCUMBERED
						PRE-OFFER	POST-OFFER*	
						AS A PERCENTAGE of (A+B)	AS A PERCENTAGE of (A+B)	
(I)	(II)	(III)	(IV)	(V)		(VI)		
	IFCI limited**(1)	1	2,442,212	2,442,212	2,442,212	4.79	4.79	Nil
	The National Bank For Agriculture And Rural Development**(1)	1	1,562,500	1,562,500	1,562,500	3.06	3.06	Nil
(c)	Central Government / State Government(s)	Nil	Nil	Nil	[●]	Nil	[●]	Nil
(d)	**Venture Capital Funds**	**2**	**1,837,623**	**1,837,623**	**[●]**	**3.60**	**[●]**	**Nil**
	ICICI Trusteeship Services Limited**(1)	1	1,349,181	1,349,181	1,349,181	2.64	2.64	Nil
	Kotak Mahindra Trusteeship Services Limited	1	488,442	488,442	488,442	0.96	0.96	Nil
(e)	Insurance Companies	Nil	Nil	Nil	[●]	Nil	[●]	Nil
(f)	**Foreign Institutional Investors**	**1**	**2,549,918**	**2,549,918**	**[●]**	**5.00**	**[●]**	Nil
	FID Funds (Mauritius) Limited**(1)	1	2,549,918	2,549,918	2,549,918	5.00	5.00	Nil
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h)	Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total B(1) :	**17**	**16,744,784**	**16,744,784**	**[●]**	**32.83**	**[●]**	Nil
(2)	NON-INSTITUTIONS							
(a)	**Bodies Corporate**	**10**	**3,354,375**	**3,354,375**	**[●]**	**6.58**	**[●]**	**Nil**
	National Stock Exchange Of India Limited**(1)	1	1,250,000	1,250,000	1,250,000	2.45	2.45	Nil
	Bennett, Coleman And Company Limited**(1)	1	1,144,468	1,144,468	1,144,468	2.24	2.24	Nil
	Brand Equity Treaties Limited	1	407,851	407,851	407,851	0.80	0.80	Nil
	SBI Life Insurance Company Limited	1	262,500	262,500	262,500	0.51	0.51	Nil
	ICICI Lombard General Insurance Company Ltd	1	185,000	185,000	37,000	0.36	0.07	Nil
	HT Media Limited	1	102,117	102,117	102,117	0.20	0.20	Nil
	Pug Securities (P) Ltd.	1	1,125	1,125	1,125	0.00	0.00	Nil
	Innovate Servies Private Limited	1	687	687	687	0.00	0.00	Nil
	PHDA Financial Services Private Ltd	1	625	625	625	0.00	0.00	Nil
	3 A Financial Services (India) Limited	1	2	2	2	0.00	0.00	Nil
(b)	**Individuals**	**820**	**1,858,963**	**1,856,372**	**[●]**	**3.65**	**[●]**	**Nil**
	(i) Individuals holding nominal share capital upto ₹1 lakh(2)	813	702,402	699,811	[●]	1.38	[●]	Nil
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh(3)	7	1,156,561	1,156,561	[●]	2.27	[●]	Nil
(c)	**Others**							
	TRUSTS	**1**	**423,944**	**423,944**	**423,944**	**0.83**	**0.83**	**Nil**
	MCX ESOP Trust	1	423,944	423,944	423,944	0.83	0.83	Nil
	FOREIGN BODIES	**9**	**12,695,812**	**12,695,812**	**[●]**	**24.90**	**[●]**	**Nil**
	Passport Capital LLC A/C Passport India Investment**(1)	1	2,500,000	2,500,000	2,500,000	4.90	4.90	Nil
	Euronext N. V. **(1)	1	2,442,212	2,442,212	2,442,212	4.79	4.79	Nil
	Aginyx Enterprises Limited**(1)	1	2,442,212	2,442,212	2,442,212	4.79	4.79	Nil
	Merrill Lynch Holdings (Mauritius) **(1)	1	2,442,212	2,442,212	2,442,212	4.79	4.79	Nil
	GLG Financials Fund**	1	976,885	976,885	195,377	1.92	0.38	Nil
	Intel Capital (Mauritius) Ltd**(1)	1	827,205	827,205	827,205	1.62	1.62	Nil
	New Vernon Private Equity Limited	1	488,442	488,442	488,442	0.96	0.96	Nil
	Alexandra Mauritius Limited	1	488,442	488,442	97,688	0.96	0.19	Nil
	IGSB-STAD I, LLC	1	88,202	88,202	88,202	0.17	0.17	Nil
	FOREIGN NATIONALS	**1**	**8,750**	**8,750**	**8,750**	**0.02**	**0.02**	**Nil**
	HUF	**1**	**125**	**125**	**[●]**	**0.00**	**[●]**	Nil

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHARE-HOLDERS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL NUMBER OF SHARES (POST OFFER)	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		NO. OF SHARES PLEDGED OR OTHERWISE ENCUMBERED
						PRE-OFFER	POST-OFFER*	
						AS A PERCENTAGE of (A+B)	AS A PERCENTAGE of (A+B)	
(I)	(II)	(III)	(IV)	(V)		(VI)		
	NON-RESIDENT INDIAN	1	8,125	8,125	8,125	0.01	0.01	Nil
	Sub-Total B(2) :	843	18,350,094	18,347,503	[●]	35.99	[●]	Nil
	Total B=B(1)+B(2):	860	35,094,878	35,092,287	37,738,794	68.82	74.00	Nil
	Total (A+B) :	861	50,998,369	50,995,778	50,998,369	100.00	100.00	Nil
(C)	SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	GRAND TOTAL (A+B+C) :	861	50,998,369	50,995,778	50,998,369	100.00	100.00	Nil

* *This is based on the assumption that the existing shareholders shall not subscribe to the Equity Shares in the Offer. Our Promoter, FTIL, and other shareholders participating in the Offer as Selling Shareholders will not participate, subscribe to or purchase Equity Shares in the Offer.*

** *Public shareholders holding more than 1% of pre-Offer capital of our Company.*

(1) *Public shareholders holding more than 1% of the post-Offer capital of our Company.*

(2) *No single individual holds more than 1% of the pre-Offer capital of our Company.*

(3) *Other than V. Hariharan and Paras Ajmera who hold 541,032 and 540,529 Equity Shares respectively representing 1.06% of the pre-Offer capital of our Company, no single individual holds more than 1% of the pre-Offer capital of our Company.*

6. Equity Shares held by top ten shareholders of our Company

Our top ten shareholders and the Equity Shares held by them on the date of filing this Red Herring Prospectus with RoC are as follows:

S. No	Name	Number of Equity Shares	Percentage shareholding (%)
1.	FTIL	15,903,491	31.18
2.	State Bank Of India, (Equity)	2,640,031	5.18
3.	FID Funds (Mauritius) Limited	2,549,918	5.00
4.	Passport Capital LLC A/C Passport India Investment	2,500,000	4.90
5.	Euronext N. V.	2,442,212	4.79
6.	Aginyx Enterprises Limited	2,442,212	4.79
7.	Merrill Lynch Holdings (Mauritius)	2,442,212	4.79
8.	IFCI Limited	2,442,212	4.79
9.	Corporation Bank	1,775,000	3.48
10.	The National Bank For Agriculture And Rural Development	1,562,500	3.06

Our top ten shareholders and the Equity Shares held by them ten days prior to the date of filing this Red Herring Prospectus with RoC are as follows:

S. No	Name	Number of Equity Shares	Percentage shareholding (%)
1.	FTIL	15,903,491	31.18
2.	State Bank Of India, (Equity)	2,640,031	5.18
3.	FID Funds (Mauritius) Limited	2,549,918	5.00
4.	Passport Capital LLC A/C Passport India Investment	2,500,000	4.90
5.	Euronext N. V.	2,442,212	4.79
6.	Aginyx Enterprises Limited	2,442,212	4.79
7.	Merrill Lynch Holdings (Mauritius)	2,442,212	4.79

S. No	Name	Number of Equity Shares	Percentage shareholding (%)
8.	IFCI Limited	2,442,212	4.79
9.	Corporation Bank	1,775,000	3.48
10.	The National Bank For Agriculture And Rural Development	1,562,500	3.06

Our top ten shareholders and the Equity Shares held by them two years prior to the date of filing this Red Herring Prospectus with RoC are as follows:

S. No.	Name	Number of Equity Shares of the face value of ₹ 5 each*	Percentage shareholding (%)
1.	FTIL	25,445,586	31.18
2.	FID Funds (Mauritius) Limited	7,200,000	8.82
3.	State Bank of India (Equity)	4,620,000	5.66
4.	Euronext N. V.	3,907,540	4.79
5.	Merrill Lynch Holdings (Mauritius)	3,907,540	4.79
6.	Citigroup Strategic Holdings Mauritius Limited	3,907,540	4.79
7.	IFCI Limited	3,907,540	4.79
8.	Corporation Bank	2,840,000	3.48
9.	The National Bank for Agriculture And Rural Development	2,500,000	3.06
10.	Passport Capital LLC A/C Passport India Investment	2,344,524	2.87

[*]The Equity Share capital of our Company was consolidated from 140,000,000 Equity Shares of face value ₹5 each to 70,000,000 Equity Shares of face value ₹10 each pursuant to a resolution of shareholders at an EGM held on March 14, 2011.

7. **Employee Stock Option Schemes**

ESOP 2006

The shareholders of our Company by a special resolution dated January 13, 2006 provided their approval to create, offer, issue and grant, from time to time, up to 650,000 options in the aggregate. Accordingly, our Company instituted the ESOP 2006 under the SEBI (Employee Stock Option Scheme) Guidelines, 1999 to reward and help retain our employees. The stock options were granted on January 16, 2006.

A total of 650,000 options were granted under the ESOP 2006 in Fiscal 2006. At the time of the issue of the options under the ESOP 2006 the face value of the equity shares was ₹ 10 each. Pursuant to a resolution passed by the shareholders of our Company at an AGM held on September 1, 2007, the face value of our equity shares was sub-divided from ₹ 10 to ₹ 5 per equity share. As a result of this sub-division, a total of 1,300,000 options have been granted under the ESOP 2006. These stock options have been granted to our Directors and employees, as well as employees and directors of FTIL, pursuant to the terms of the ESOP 2006. Under ESOP 2006, 1,083,740 options have been exercised and Equity Shares of the face value of ₹ 5 each have been issued to the eligible employees.

A break up of the options granted and exercised (of face value ₹ 10 each) in the previous three years under ESOP 2006 is as set forth below:

Particulars	Details		
	Fiscal 2011	Fiscal 2010	Fiscal 2009
Options granted*	-	-	-
Options exercised	-	3,750	318,127

[*] These options were granted under the ESOP 2006 in Fiscal 2006.

Note: All options and the shares pursuant to the exercise of options have been computed after adjusting bonus and consolidation since institution of the employee stock option plan and fractional entitlements have been adjusted accordingly.

The ESOP 2006 was terminated with effect from January 16, 2010 pursuant to a resolution passed by the Compensation Committee at its meeting held on February 15, 2010 and December 22, 2010.

ESOP 2008

Our Company has instituted the ESOP 2008 to attract and retain capable employees. The ESOP 2008 is aimed at encouraging employees to contribute their best, rewarding employee performance, and giving co-ownership to the employees.

The ESOP 2008 was approved by our Board by its resolution dated May 24, 2008 and by our shareholders by their resolution dated February 27, 2008. Pursuant to a special resolution dated February 27, 2008 our Company had approved "Employees' Stock Option Scheme – 2008" pursuant to which 2,600,000 equity shares of the face value of ₹ 5 each were allotted to MCX ESOP Trust at ₹ 85 per share. The Board by its resolution dated May 24, 2008 decided to adopt the trust route for the implementation of the ESOP 2008 scheme. Our Company granted a loan to the MCX ESOP Trust at an interest rate of 6.5% per annum to enable the MCX ESOP Trust to acquire the shares. The Compensation Committee has granted a) in aggregate 2,101,200 options convertible into 2,101,200 equity shares of ₹ 5 each to eligible employees/directors of the Company on July 2, 2008 and August 23, 2008; and b) 331,750 options (including the lapsed options available for reissuance) convertible into 331,750 Equity Shares to eligible employees/ directors of the Company on October 24, 2011. The MCX ESOP Trust presently holds 423,944 Equity Shares of ₹ 10 each under the ESOP 2008 constituting 0.83% of the fully diluted post-Offer paid up capital of our Company.

Except for Joseph Massey, Sumesh Parasrampuria and Dipak Shah, who intends to sell 10,000, 6,250 and 2,000 Equity Shares respectively, all other directors and the key management personnel of the Company who have been granted options and Equity Shares on the exercise of the options have confirmed to us that they do not intend to sell any shares arising from such options within three months after the date of listing of the Equity Shares in this Offer. Other employees of the Company holding Equity Shares at the time of listing of Equity Shares and Equity Shares on exercise of vested options may sell their equity shareholding within the 3 month period after the listing of the Equity Shares. This disclosure is made in accordance with para 15.3 (b) of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2000, as amended.

The following table sets forth the particulars of the options granted under the ESOP 2008, as of December 31, 2011:

Particulars	**Details**				
	Cumulative as on December 31, 2011	**April 01, 2011 to December 31, 2011**	**Fiscal 2011**	**Fiscal 2010**	**Fiscal 2009**
Options granted	1,645,000**	331,750**	-	-	1,313,250
Exercise price of options	N.A.	₹ 390			₹ 144
Options vested	1,207,753	471,544	363,103	373,106	-
Options exercised	1,193,554	467,477	359,015	367,062	-
Total number of equity shares arising as a result of full exercise of options	1,193,554	467,477	359,015	367,062	-
Options lapsed	113,489	9,712	18,003	26,931	58,843
Variations in terms of options	The vesting schedule was modified pursuant to the resolution of the Compensation Committee in its meeting held on August 23, 2008 and the				

Particulars	Details				
	Cumulative as on December 31, 2011	**April 01, 2011 to December 31, 2011**	**Fiscal 2011**	**Fiscal 2010**	**Fiscal 2009**
	shareholders resolution passed at the meeting held on August 1, 2009. Consequent to the approval of the members in the EGM held on March 14, 2011 for consolidation and bonus, the Compensation Committee at its meeting held on March 25, 2011 has adjusted the options accordingly.				
Money realised by exercise of options	₹ 171.87 million	₹ 67.31 million	₹ 51.70 million	₹ 52.86 million	-
Total number of options in force	337,941*	337,941	483,380*	860,414	1,254,407
Employee-wise details of options granted to					
i) Directors and key managerial employees	See table below				
ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil				
iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil				
Vesting schedule	The vesting schedule for the options granted is as follows: 1. at the end of 12 months from the date of grant: 30%; 2. at the end of 24 months from the date of grant: 30%; and 3. at the end of 36 months from the date of grant: 40%.				
Fully diluted EPS on a pre-issue basis (in ₹)	N.A.	42.65	34.46	43.21	31.55
Lock-in	Nil				
Difference between employee compensation cost computed using intrinsic value of stock options and employee compensation cost that would have been recognised if fair value of	N.A.				

Particulars	**Details**				
	Cumulative as on December 31, 2011	**April 01, 2011 to December 31, 2011**	**Fiscal 2011**	**Fiscal 2010**	**Fiscal 2009**
options had been used (in ₹ million)					
Impact of this difference on the profits of our Company (in ₹ million)	N.A.				
Impact of this difference on the EPS of our Company (in ₹) a) Basic b) Diluted	N.A.				
Weighted average exercise prices and weighted average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock	N.A.				
Method and significant assumptions used during the year to estimate the fair values of options, including weighted average information: i. Risk-free interest rate; ii. Expected life; iii. Expected volatility; iv. Expected dividends; and v. Price of underlying share in market at the time of grant of the option	N.A.	The fair values have been determined using the black scholes formula considering the following parameters: i. 8.60% ii. 1.5 years iii. 2.26 iv. Not Considered v. The fair value of the Equity Share of ₹ 10 each as per an independent valuer was ₹ 385 on the date of grant of such options.	The fair values have been determined using the binomial option pricing model considering the following parameters: i. 9.14% (as of July 2, 2008) and 9.13% (as of August 23, 2008); ii. 3.5 years; iii. 1%; iv. 25%; and v. The fair value of the Equity Shares of ₹ 10 post consolidation and bonus is computed at ₹ 136.		
The impact on profits and on the earnings per share of the last three years if the Offeror had followed the accounting policies specified in clause 13 of the SEBI ESOP Guidelines in	N.A.	Profit would be lower by ₹ 10.36 million	Profit would be lower by ₹ 2.46 million	Profit would be lower by ₹ 5.38 million	Profit would be lower by ₹ 7.70 million

Particulars	Details				
	Cumulative as on December 31, 2011	April 01, 2011 to December 31, 2011	Fiscal 2011	Fiscal 2010	Fiscal 2009
respect of options granted in the last three years					
Intention of the holders of the Equity Shares allotted on exercise of options to sell their shares within three months after the listing of the Equity Shares pursuant to the Offer	The employees of the Company may sell their shares which are held by them on exercise of options within three months after the listing of the Equity shares.				
Intention to sell Equity Shares arising out of the employee stock option scheme within three months after the listing of Equity Shares by Directors, senior managerial personnel and employees having Equity Shares amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Except for Joseph Massey, Sumesh Parasrampuria and Dipak Shah, who intends to sell 10,000, 6,250 and 2,000 Equity Shares respectively, all other directors and the key management personnel of the Company who have been granted options and Equity Shares on the exercise of the options have confirmed to us that they do not intend to sell any shares arising from such options within three months after the date of listing of the Equity Shares in this Offer.				

Note: All options and the shares pursuant to the exercise of options have been computed after adjusting consolidation and bonus since institution of the employee stock option plan and fractional entitlements have been adjusted accordingly.

* *Fractional options arising out of consolidation and bonus have been ignored after making necessary adjustments.*

** *The options granted includes the lapsed options available for re issuance*

Person-wise details of options granted to Directors and key managerial personnel under ESOP 2008 as of the date of this Red Herring Prospectus:

Name	Position	Options granted in October 2011				Options granted in July and August 2008*			
		Options Granted	Options Vested	Options Exercised	Exercise Price (₹)	Options Granted	Options Vested	Options Exercised	Exercise Price (₹)
Directors									
Venkat Chary	Non Executive Independent Chairman	10,000	0	0	390	6,250	6,250	6,250	144
Joseph Massey	Non Executive Non Independent Director	0	0	0	390	18,750	18,750	18,750	144
Lambertus Rutten	Managing Director and CEO	10,000	0	0	390	12,500	12,500	12,500	144
V. Hariharan	Non Executive Non Independent Director	0	0	0	390	437,500	437,500	437,500	144
Paras Ajmera	Non Executive	10,000	0	0	390	437,500	437,500	437,500	144

Name	Position	Options granted in October 2011				Options granted in July and August 2008*			
		Options Granted	Options Vested	Options Exercised	Exercise Price (₹)	Options Granted	Options Vested	Options Exercised	Exercise Price (₹)
	Non Independent Director								
Key Managerial Personnel									
Parveen Kumar Singhal	Deputy Managing Director (Non-Board)	15,000	0	0	390	0	0	0	N.A.
Dipak D. Shah	Director - Market Operations (Non-Board)	7,500	0	0	390	6,250	6,250	6,250	144
Sumesh Parasrampuria	Director - Business Development (Non-Board)	10,000	0	0	390	6,250	6,250	6,250	144
P. Ramanathan	Company Secretary & Chief Compliance Officer	7,500	0	0	390	0	0	0	N.A.
Mahesh Joshi	Chief Financial Officer	4,500	0	0	390	0	0	0	N.A.
P.P. Kaladharan	Chief Technology Officer	4,500	0	0	390	5,000	5,000	5,000	144
J. B. Ram	Senior Vice President - Membership and Inspection	4,500	0	0	390	0	0	0	N.A.
Raghavendra Prasad	Vice President - Legal	4,500	0	0	390	0	0	0	N.A.
Rajesh Bagwe	Vice President – HR	3,000	0	0	390	2,500	2,500	2,500	144
TOTAL		**91,000**	**0**	**0**		**932,500**	**932,500**	**932,500**	

*Note: *Options granted, options vested, options exercised and exercise price has been computed after adjusting consolidation and bonus since institution of the employee stock option plan.*

8. None of our Directors and key managerial personnel hold Equity Shares as of the date of filing this Red Herring Prospectus except as stated in the section titled "Our Management" on page 194.

9. As of the date of this Red Herring Prospectus, except the outstanding options issued pursuant to the ESOP 2008, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.

10. None of the Promoters, Promoter Group, the Directors and their immediate relatives have purchased or sold any Equity Shares during a period of six months preceding the date of this Red Herring Prospectus, except as stated below:

S. No.	Date of allotment/ transfer	Name of person/entity	No. of Equity Shares	Face Value (₹)	Issue price/ sale price (₹)	Reason
1.	August 1, 2011	Paras Ajmera	175,000	10	144	Exercise of options pursuant

S. No.	Date of allotment/ transfer	Name of person/entity	No. of Equity Shares	Face Value (₹)	Issue price/ sale price (₹)	Reason
						to ESOP 2008
2.	August 3, 2011	Venkat Chary	2,500	10	144	Exercise of options pursuant to ESOP 2008
3.	August 3, 2011	V. Hariharan	175,000	10	144	Exercise of options pursuant to ESOP 2008
4.	August 5, 2011	Lambertus Rutten	5,000	10	144	Exercise of options pursuant to ESOP 2008
5.	January 26, 2012	Joseph Massey	7,500	10	144	Exercise of options pursuant to ESOP 2008

11. Other than the bonus issue of 3,180,698 equity shares to our Promoter (FTIL), none of our Promoter Group or our Directors have purchased/subscribed or sold any securities of our Company within three years immediately preceding the date of registering this Red Herring Prospectus with the RoC which in aggregate is equal to or greater than 1% of pre- issue capital of our Company.

12. Other than the bonus issue on March 15, 2011 subsequent to the approval of the shareholders in the EGM dated March 14, 2011, the Company has not made any issue of Equity Shares during a period of one year preceding the date of this Red Herring Prospectus which may be at a price lower than the Offer Price.

13. Neither our Company nor the Selling Shareholders, our Directors or the BRLMs have entered into any buyback and/or standby arrangements for the purchase of the Equity Shares forming part of the Offer from any person in connection with the Offer.

14. We have not raised any bridge loan against the proceeds of the Offer. For details on use of proceeds, see section titled "Objects of the Offer" on page 100.

15. There are no financing agreements whereby our Promoter Group, directors of our Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during a period of six months immediately preceding the filing of the Draft Red Herring Prospectus.

16. At least 50% of the Net Offer shall be allotted to QIBs on a proportionate basis. 5% of the QIB Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for Allotment to the QIB Bidders including Mutual Funds. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Offer Price. If at least 50% of the Offer cannot be allotted to QIBs, then the entire application money shall be refunded forthwith. Under subscription, if any, in the categories, except the QIB Portion, would be allowed to be met with spill-over from the other categories or combination of categories at the discretion of our Company and Selling Shareholders in consultation with the BRLMs and BSE. Under subscription, if any in the Employee Reservation Portion will be added back to the Net Offer. In case of under subscription in the Net Offer, spill over to the extent of under subscription shall be

permitted from the Employee Reservation Portion subject to the Net Offer constituting 10% of the post Offer capital of our Company.

17. A total of up to 250,000 Equity Shares have been reserved for allocation to Eligible Employees, subject to valid Bids being received at or above the Offer Price and subject to the maximum Bid in this portion being ₹ 200,000. Only Eligible Employees would be eligible to apply in this Offer under reservation for Eligible Employees. Eligible Employees may Bid in the Net Offer as well and such Bids shall not be treated as multiple Bids.

18. A Bidder cannot make a Bid for more than the number of Equity Shares offered in this Offer, and shall be subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

19. Our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Offer, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or otherwise. However, during such period or at a later date, we may issue Equity Shares pursuant to our ESOP Schemes or issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture, or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in the interest of our Company.

20. We have not issued any Equity Shares out of revaluation reserves. Our Company has allotted 10,199,674 Equity Shares on March 15, 2011 pursuant to a bonus issue in the ratio of one bonus share for every four Equity Shares held, through capitalisation of the securities premium account aggregating ₹ 101.99 million, pursuant to the approval of the shareholders in the EGM dated March 14, 2011.

21. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law and our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

22. All Equity Shares will be fully paid up at the time of Allotment, failing which no Allotment shall be made.

23. Except as stated in "Related Party Transactions", our Company has not made any loans and advances to any person (s)/ company in which the Directors are interested.

24. Except as stated in the sections titled "Capital Structure", "Our Promoter and Promoter Group", or "Our Management" on pages 80, 220 and 194 respectively, none of our Promoter, Directors and key managerial personnel have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares, if any, held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, members, partners or trustees to the extent of the benefits arising out of such shareholding.

25. Our Company, the Promoter, the Promoter Group and the Selling Shareholders shall not participate in the Offer, other than our Promoter and other Selling Shareholders participating in this Offer as Selling Shareholders.

26. No person connected with the Offer shall offer any incentive, direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Bidder.

27. The BRLMs and their associates currently do not hold any Equity Shares in our Company.

28. As of the date of this Red Herring Prospectus, we have 861 shareholders.

29. A loan of ₹ 221.00 million was granted by our Company to MCX ESOP Trust for the acquisition of Equity Shares under the ESOP 2008. Our Company had allotted 2,600,000 Equity Shares of the face value of ₹ 5

each to the MCX ESOP trust on July 2, 2008 at a premium of ₹ 80 per share. Accordingly, in compliance with the guidance note on accounting of employee share based payments issued by The Institute of Chartered Accountants of India in 2005, a sum of ₹ 40.49 million recoverable from the MCX ESOP Trust toward principal amount has been reduced proportionately from our Company's issued share capital and the securities premium account respectively and disclosed as such in the financial statements prepared by our Company as on December 31, 2011.

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing on the BSE and to carry out the sale of 6,427,378 Equity Shares by the Selling Shareholders. The listing of the Equity Shares will enhance our brand name and provide liquidity to the existing shareholders. Listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer.

Offer Expenses

The Offer related expenses consist of underwriting fees, selling commission, fees payable to the BRLMs, legal counsels, Bankers to the Offer, Escrow Collection Banks and the Registrar to the Offer, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on BSE. Other than listing fees, which will be paid by our Company, all expenses with respect to the Offer will be shared between the Selling Shareholders in proportion to the Equity Shares contributed to the Offer. Our Company will be required to make a payment of approximately ₹ [●] million towards listing fees. The break-up for the Offer expenses is as follows:

Particulars	Amounts*	As a percentage of Offer Expenses*	As a percentage of Offer Size*
Lead merchant bankers fees	[●]	[●]	[●]
Underwriting and Selling Commission (including commission to SCSBs for ASBA applications)	[●]	[●]	[●]
Processing fee to the SCSBs for processing Bid cum Application Forms procured by members of the Syndicate and submitted to SCSBs under the Syndicate ASBA process#	[●]	[●]	[●]
Registrars to the Offer fees	[●]	[●]	[●]
Bankers to the Offer fees	[●]	[●]	[●]
Others:			
- Printing and stationery expenses	[●]	[●]	[●]
- Listing fees	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- IPO grading fees	[●]	[●]	[●]
- Others	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

* *Will be incorporated after finalisation of the Offer Price.*

\# *SCSBs would be entitled to a processing fee in the range of ₹ 10 - ₹ 30 for processing per valid Bid cum Application Form collected by the Syndicate Members at the Specified Cities and submitted to the SCSBs.*

Monitoring of Utilization of Funds

Since the Offer is a pure offer for sale and the Company would not receive any proceeds from the Offer, our Company has not appointed a Monitoring Agency for the Offer.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand and on the basis of the following qualitative and quantitative factors for the Equity Shares offered by the Book Building Process. The face value of the Equity Shares is ₹ 10 and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. The EPS and NAV presented in this section are based on the face value of ₹ 10 per equity share and have been calculated after giving effect to the consolidation of shares and bonus issue approved by the shareholders of our Company by resolution dated March 14, 2011.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- Leadership Position in the commodity futures industry – Market share in terms of the total value of commodities futures contracts traded on our Exchange in Fiscal 2011 was 82.4% of the Indian commodity futures industry as per data maintained by FMC.
- Experienced Board of Directors and management team
- Product and service innovation
- Technology infrastructure
- Scalable technology platform and business model
- Integrated infrastructure and network of alliances

For details, see sections titled "Our Business" and "Risk Factors" on pages 132 and 15 respectively.

Quantitative Factors

Information presented in this section is derived from our Company's restated audited standalone and consolidated financial statements prepared in accordance with Indian GAAP and SEBI Regulations. Some of the quantitative factors, which form the basis for computing the Offer Price, are as follows:

1. *Basic and diluted Earnings Per Share (EPS):*

On a consolidated basis

Period	Basic EPS (₹)	Diluted EPS (₹)	Weightage
Year ended March 31, 2011	34.56	34.56	3
Year ended March 31, 2010	43.30	43.29	2
Year ended March 31, 2009	31.60	31.44	1
Weighted Average	**36.98**	**36.95**	

The Basic and Diluted EPS on a consolidated basis for the nine month period ended December 31, 2011 was ₹ 42.74 and ₹ 42.74 respectively.

On an standalone basis

Period	Basic EPS (₹)	Diluted EPS (₹)	Weightage
Year ended March 31, 2011	34.46	34.46	3
Year ended March 31, 2010	43.22	43.21	2
Year ended March 31, 2009	31.71	31.55	1
Weighted Average	36.92	36.89	

The Basic and Diluted EPS on a standalone basis for the nine month period ended December 31, 2011 was ₹ 42.65 and ₹ 42.65 respectively.

Note:

1. Earnings per share calculations are in accordance with Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India.

2. ***Price to Earnings (P/E) ratio in relation to Offer Price of ₹[●] per Equity Share***

On a consolidated basis

Particulars	P/E at the lower end of the price band	P/E at the higher end of the price band
Based on Basic EPS of ₹ 34.56 for Fiscal 2011	[●]	[●]
Based on Diluted EPS of ₹ 34.56 for Fiscal 2011	[●]	[●]
Based on Weighted Average Basic EPS of ₹ 36.98*	[●]	[●]
Based on Weighted Average Diluted EPS of ₹ 36.95*	[●]	[●]

* *Based on average of fiscal 2011, 2010 and 2009*

On an standalone basis

Particulars	P/E at the lower end of the price band	P/E at the higher end of the price band
Based on Basic EPS of ₹ 34.46 for Fiscal 2011	[●]	[●]
Based on Diluted EPS of ₹ 34.46 for Fiscal 2011	[●]	[●]
Based on Weighted Average Basic EPS of ₹ 36.92*	[●]	[●]
Based on Weighted Average Diluted EPS of ₹ 36.89*	[●]	[●]

* *Based on average of fiscal 2011, 2010 and 2009*

Note:

As there are no listed companies in India that are directly comparable to the business carried on by our Company, no comparison with industry peers is being offered.

3. ***Return on Net Worth***

On a consolidated basis

Period	Return on Net Worth (%)	Weightage
Year ended March 31, 2011	20.77	3
Year ended March 31, 2010	31.69	2
Year ended March 31, 2009	32.18	1
Weighted Average	**26.31**	

The Return on Net Worth on a consolidated basis for the nine month period ended December 31, 2011 was 20.29%.

On an standalone basis

Period	Return on Net Worth (%)	Weightage
Year ended March 31, 2011	20.71	3
Year ended March 31, 2010	31.62	2
Year ended March 31, 2009	32.25	1
Weighted Average	**26.27**	

The Return on Net Worth on a standalone basis for the nine month period ended December 31, 2011 was 20.27%.

Note:

For details of Return on Net Worth computation, please refer to Annexure VI of the standalone and consolidated financials in the section "Financial Statements" on page 247.

4. ***Minimum Return on Increased Net Worth required to maintain pre-Offer EPS for the year ended March 31, 2011.***

There will be no change in the net worth post Offer as the Offer is by way of offer for sale by the Selling Shareholders.

5. ***Net Asset Value per Equity Share ("NAV")***

Period	In ₹
NAV as at December 31, 2011 (consolidated)	210.58
NAV as at December 31, 2011 (standalone)	210.42
Offer Price##	[●]
NAV after the Offer (consolidated) #	210.58
NAV after the Offer (standalone) #	210.42

There will be no change in the net worth post Offer as the Offer is by way of offer for sale by the Selling Shareholders.
Offer Price per equity share will be determined on conclusion of the Book Building Process.

Note:

For details of Net Asset Value computation, please refer Annexure VI of the standalone and consolidated financials in the section "Financial Statements" on page 247.

6. ***Comparison of Accounting Ratios with Industry Peers***

There are no listed companies in India that engage in a business similar to that of our Company. Hence, it is not possible to provide an industry comparison in relation to our Company.

The Offer Price of ₹ [●] per Equity Share has been determined by us, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building process and is justified based on the above accounting ratios. For further details, see sections titled "Risk Factors", "Our Business" and "Financial Statements" on pages 15, 132 and 247 respectively, to have a more informed view. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value of the Equity Shares.

STATEMENT OF TAX BENEFITS

Multi Commodity Exchange of India Limited

Exchange Square, Chakala,

Suren Road,

Andheri (East),

Mumbai 400 093.

Dear Sirs,

Statement of Possible Tax Benefits available to the Company and its shareholders

We report that the enclosed statement (Annexure) states the possible tax benefits available to Multi Commodity Exchange of India Limited ("the Company") and to the shareholders of the Company ("the shareholders") under the Income-tax Act, 1961 and Wealth Tax Act, 1957, presently in force in India.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. While all reasonable care has been taken in the preparation of this statement, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

We do not express any opinion or provide any assurance as to whether:

(i) the Company or its shareholders will continue to obtain these benefits in the future; or

(ii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

The tax benefits listed in the statement are the possible benefits available under the current tax laws in India, which are subject to change. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

This statement is intended solely for information and for inclusion in the offer document in connection with the proposed offer for sale of equity shares of the Company in accordance with SEBI Regulations and is not to be circulated or referred to for any other purpose without our prior consent.

For ***V. Sankar Aiyar & Co***
Firm Registration No 109208W
Chartered Accountants

(S. Venkatraman)
Partner
Membership No: 34319

Place: Mumbai
Date: September 20, 2011

ANNEXURE

Statement of general direct tax benefits available to the Company and the shareholders (to be read with notes at the end of the Statement)

I. Tax Benefits available to the Company under the Income-tax Act, 1961

Special Tax Benefits

There are no special tax benefits available to the Company.

General Tax Benefits

1 Under section 10(34) of the Income-tax Act, 1961 ('the Act'), any income by way of dividends referred to in section 115-O [i.e. dividends declared (whether interim or final), distributed or paid on or after April 1, 2003] received on the shares of any domestic company is exempt from tax in the hands of recipient. However, the expenses incurred for earning such exempt dividend will not be allowed under section 14A of the Act read with Rule 8D of the Income-tax Rules, 1962 ("the Rules").

2 The Company is required to pay a Dividend Distribution Tax ("DDT'), currently at the rate of 16.2225% percent (including surcharge of 5% and education cess of 3% on tax plus surcharge) on the total amount distributed or declared or paid as dividend.

3 The Company pays tax on the income from its business operations at an effective rate of 33.445% percent (including surcharge of 5% and education cess of 3% on tax plus surcharge).

4 The characterization of the gains/losses, arising from sale of shares, as capital gains or business income in the hands of the company would depend on the nature of holding and various other factors.

5 Shares, units of mutual funds and securities listed on a recognised Indian stock exchange, being capital assets and held for a period of not more than 12 months from the date of their acquisition are considered as short term capital assets. Gains from sale of such shares etc. would give rise to short term capital gains. Gains from sale of such shares, mutual fund units and listed securities that are held for more than 12 months are considered as long term capital gains.

6 On short-term capital gains [as defined under section 2(42B) of the Act] accruing to the Company on sale of shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to securities transaction tax ("STT"), tax will be chargeable at 15 percent (plus surcharge if applicable* and education cess) as per provisions of section 111A of the Act. Further, no deduction under Chapter VI-A of the Act would be allowed from such short term capital gains subjected to tax under section 111A. In other cases, where the transaction is not subjected to STT, the short term capital gains would be taxable at the normal corporate tax rate as a part of the total income.

7 The long-term capital gains [as defined under section 2(29B) of the Act] accruing to the Company on sale of shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, is exempt from tax as per provisions of section 10(38) of the Act.

8 Long term capital gains (computed with reference to the indexed cost of acquisition, that is, cost adjusted for inflation) are subject to tax at 20 percent (plus surcharge, if applicable* and education cess). However, as per the provisions of section 112 of the Act, the Company has the option to offer taxable long term gains from the transfer of listed securities derived otherwise than as mentioned in point 5 above (i.e. that is derived otherwise than on a recognized stock exchange), to

tax at 10 percent by computing the gains based on the cost of acquisition without applying indexation. Further, no deduction under Chapter VI-A of the Act is allowed from such long term capital gains subjected to tax under section 112 of the Act.

9 In case the income of the company from transfer of shares is treated as business income, then the income would need to be computed under the head profits and gains from business/profession and the provisions of the Act would apply accordingly. Further, the amount of STT paid by the company in respect of the taxable securities transactions entered into the course of its business during the previous year would be eligible for deduction as per section 36(xv) of the Act.

10 Under section 10(35) of the Act, any income received from units of a Mutual Fund specified under section 10(23D) of the Act, is exempt from tax. However, the expenses incurred for earning such exempt dividend will not be allowed under section 14A of the Act read with Rule 8D of the Rules.

11 Under section 32 of the Act, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and on intangible assets such as patent, trademark, copyright, know-how, licenses, etc. if acquired after 31 March 1998. Unabsorbed depreciation if any, can be carried forward and set off against any source of income in subsequent years in accordance with the provisions of the Act.

12 Under section 72 of the Act, unabsorbed business losses, if any, for any year can be carried forward and set off against business profits for subsequent years (up to 8 years) subject to the conditions specified therein.

13 Under section 74 of the Act, unabsorbed loss (if any) under the head "Capital gains", for any year can be carried forward and set off in the specified manner against the capital gains for subsequent years (up to 8 years) subject to the conditions specified therein.

14 The filing of return of income within the time specified under section 139(1) of the Act is mandatory for claiming the carry forward of the loss under section 72(1) or section 74(1) of the Act.

15 The Company is entitled to claim exemption in respect of tax on long term capital gains (other than those exempt under section 10(38) of the Act) under section 54EC of the Act, if the amount of capital gains is invested in certain specified bonds/ securities within six months from the date of transfer, subject to the fulfillment of the conditions specified therein. The maximum amount of investment in the above bonds permissible for claiming the exemption, by any person in a financial year, is ₹ 5 million. However, according to section 54EC(2) of the Act, if the Company transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the previous year in which such bonds are transferred or otherwise converted into money.

16 The Company is entitled to deduction under section 80G of the Act from its total income in respect of amounts contributed as donations to various charitable institutions and funds covered under that section, subject to fulfillment of conditions specified therein.

* For the Assessment Year 2012-13 - Surcharge of 5 percent is applicable if the total income is in excess of INR 10 million and education cess of 3 percent on tax plus surcharge, if any.

II. Tax Benefits available to shareholders of the Company under the Act

A. Resident Shareholders

Special Tax Benefits

There are no special tax benefits available to the resident members.

General Tax Benefits

1 Under section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act, will be exempt from tax to the extent of ₹ 1,500 per minor child whose income is so included.

2 Dividend (whether interim or final) declared, distributed or paid, as referred under section 115-O of the Act, by the Company is exempt in the hands of shareholders as per the provisions of section 10(34) of the Act. However, the expenses incurred for earning such exempt dividend will not be allowed under section 14A of the Act read with Rule 8D of the Rules. Further, the credit of DDT paid by the Company will not be available to the resident shareholders of the Company.

3 The characterization of the gains/losses, arising from sale of shares, as capital gains or business income in the hands of shareholders would depend on the nature of holding and various other factors.

4 On short-term capital gains [as defined under section 2(42B) of the Act] accruing to the shareholders of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to securities transaction tax ("STT"), tax will be chargeable at 15 percent (plus surcharge, if applicable* and education cess) as per provisions of section 111A of the Act. Further, no deduction under Chapter VI-A of the Act would be allowed to a shareholder from such short term capital gains subjected to tax under section 111A. In other cases, where the transaction is not subjected to STT, the short term capital gains would be taxable as a part of the total income and the tax payable thereon would depend on the income tax rates applicable to the shareholders.

5 The long-term capital gains [as defined under section 2(29B) of the Act] accruing to the shareholders of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, are exempt from tax as per provisions of section 10(38) of the Act. In case the shareholder is a company and the income is taxable under section 115JB of the Act then exemption on long term capital gain would not be available.

6 The shareholders claiming the benefit of indexation would be subject to tax at 20 percent (plus surcharge, if applicable* and education cess) on the long term gains. However, as per the provisions of section 112 of the Act, long term gains accruing to the shareholders of the Company from the transfer of shares of the Company otherwise than as mentioned in point 5 above, are chargeable to tax at 10 percent (plus surcharge, if applicable* and education cess) after deducting from the sale proceeds the cost of acquisition without indexation. Further, no deduction under Chapter VI-A of the Act would be allowed to a shareholder from such long term capital gains subjected to tax under section 112 of the Act.

7 The shareholders are entitled to claim exemption in respect of tax on long term capital gains (other than those exempt under section 10(38) of the Act) under section 54EC of the Act, if the amount of capital gains is invested in certain specified bonds / securities within six months from the date of transfer, subject to the fulfillment of the conditions specified therein. The maximum amount of investment in the above bonds permissible for claiming the exemption, by any person in a financial year, is ₹5 million. However, according to section 54EC(2) of the Act, if the shareholder

transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the previous year in which such bonds are transferred or otherwise converted into money.

8 Shareholders who are individuals or Hindu undivided families can avail of an exemption in respect of long term capital gain under section 54F of the Act by utilization of the net sales consideration arising from the sale of the Company's shares held for a period of more than 12 months [which is not exempt under section 10(38)], for purchase / construction of a residential house ("new asset") within the specified time period and subject to the fulfillment of the conditions specified therein which also includes conditions to be satisfied post acquisition of a new asset.

9 The filing of return of income within the time allowed under section 139(1) of the Act is mandatory for claiming the carry forward of the loss under section 72 and /or section 74(1) of the Act.

10 In case the income of the Shareholder from transfer of shares is treated as business income, then the income would need to be computed under the head profit and gains from business / profession and the provisions of the Act would apply accordingly. Further, the amount of STT paid by the shareholder in respect of the taxable securities transactions entered into the course of his business during the previous year would be eligible for deduction as per section 36(xv) of the Act.

* For the Assessment Year 2012-13 - Surcharge of 5 percent is applicable in case of corporate shareholders, if total income is in excess of INR 10 million (surcharge is not applicable to non-corporate taxpayers). All shareholders are liable to education cess at the rate of 3 percent on tax plus surcharge, if any.

B. Non Resident Shareholders

B.1 Non-resident shareholders– other than Foreign Institutional Investors and Non Resident Indians

Special Tax Benefits

There are no special tax benefits available to the non-resident members.

General Tax Benefits

1 Dividend (whether interim or final) declared, distributed or paid, as referred under section 115-O of the Act, by the Company is exempt in the hands of shareholders as per the provisions of section 10(34) of the Act. However, the expenses incurred for earning such exempt dividend will not be allowed under section 14A of the Act read with Rule 8D of the Rules. Further, the credit of DDT paid by the Company to the non-resident shareholders of the Company will be subject to the Double Taxation Avoidance Agreement ("DTAA") between India and any specified territory / country of residence of the non-resident shareholder and the local laws of the country of residence of the non-resident shareholder.

2 The characterization of the gains/losses, arising from sale of shares, as capital gains or business income in the hands of shareholders would depend on the nature of holding and various other factors.

3 On short-term capital gains [as defined under section 2(42B) of the Act] accruing to the shareholder of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, tax will be chargeable at 15 percent (plus surcharge, if applicable* and education cess) as per provisions of section 111A of the Act. Further, no deduction under Chapter VI-A of the Act would be allowed to a shareholder from such short term capital gains subjected to tax under section 111A. In other

case, i.e. where the transaction is not subjected to STT, the short term capital gains would be chargeable as a part of the total income and the tax payable thereon would depend on the income tax rates applicable to the shareholders.

4 The long-term capital gains [as defined under section 2(29B) of the Act] accruing to the shareholders of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT is exempt from tax as per provisions of section 10(38) of the Act. In case the shareholder is a company having a Permanent Establishment ("PE") in India and the income is taxable under section 115JB of the Act, then exemption on long term capital gain would not be available.

5 As per the provisions of section 112 of the Act, long term gains accruing to the shareholders of the Company, being non-residents, from the transfer of shares of the Company, otherwise than as mentioned in point 4 above, are generally chargeable to tax at 20 percent (plus surcharge, if applicable* and education cess) after deducting from the sale proceeds the cost of acquisition. In computing capital gains, such non-resident shareholders are allowed to adjust the cost of acquisition for exchange rate fluctuations as compared to the initial investment made in foreign exchange.

6 Under the provisions of section 90(2) of the Act, if the provisions of the DTAA between India and any specified territory / country of residence of the non-resident are more beneficial to the non-resident, then the provisions of the DTAA shall be applicable provided the non-resident is the tax resident of that country and fulfills the other condition specified in DTAA.

7 The shareholders are entitled to claim exemption in respect of tax on long term capital gains [other than those exempt under section 10(38) of the Act] under section 54EC of the Act, if the amount of capital gains is invested in certain specified bonds / securities within six months from the date of transfer subject to the fulfillment of the conditions specified therein. The maximum amount of investment in the above bonds permissible for claiming the exemption by any person in a financial year is ₹ 5 million. However, according to section 54EC(2) of the Act, if the shareholder transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the previous year in which such bonds are transferred or otherwise converted into money.

8 Shareholders who are individuals can avail of an exemption in respect of long term capital gain under section 54F of the Act by utilization of the net sales consideration arising from the sale of the Company's share held for a period of more than 12 months [which is not exempt under section 10(38)], for purchase / construction of a residential house ("new asset") within the specified time period and subject to the fulfillment of the conditions specified therein which also includes conditions to be satisfied post acquisition of a new asset.

9 The filing of return of income within the time allowed under section 139(1) of the Act is mandatory for claiming the carry forward of the loss under section 72 and/or section 74(1) of the Act.

10 In case the income of the Shareholder from transfer of shares is treated as business income then the income would need to be computed under the head "profit and gains from business or profession" and the provisions of the Act would apply accordingly. Further, the amount of STT paid by the shareholder in respect of the taxable securities transactions entered into the course of his business during the previous year would be eligible for deduction as per section 36(xv) of the Act.

[*] For the Assessment Year 2012-13 - Surcharge of 2 percent is applicable in case of corporate shareholders, if total income is in excess of INR 10 million (surcharge is not applicable to non-corporate taxpayers). All shareholders are liable to education cess calculated at the rate of 3 percent on tax plus surcharge, if any.

B.2 Foreign Institutional Investors

Special Tax Benefits

There are no special tax benefits available to the Foreign Institutional Investors.

General Tax Benefits

1. Dividend (whether interim or final) declared, distributed or paid, as referred under section 115-O of the Act, by the Company is exempt in the hands of shareholders as per the provisions of section 10(34) of the Act. However, the expenses incurred for earning such exempt dividend will not be allowed under section 14A of the Act read with Rule 8D of the Rules. Further, the credit of DDT paid by the Company to the non-resident shareholders of the Company will be subject to the DTAA between India and any specified territory / country of residence of the non-resident shareholder and the local laws of the country of residence of the non-resident shareholder

2. The characterization of the gains/losses, arising from sale of shares, as capital gains or business income in the hands of the shareholder would depend on the nature of holding and various other factors.

3. On short-term capital gains [as defined under section 2(42B) of the Act] accruing to the shareholders of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, tax will be chargeable at 15 percent (plus surcharge, if applicable* and education cess) as per provisions of section 115AD of the Act. In other case, i.e. where the transaction is not subjected to STT, as per the provisions of section 115AD of the Act, the short term capital gains would be chargeable to tax at 30 percent (plus surcharge, if applicable* and education cess).

4. The long-term capital gains [as defined under section 2(29B) of the Act] accruing to the shareholders of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, are exempt from tax as per provisions of section 10(38). In case the shareholder is a company having a Permanent Establishment ("PE") in India and the income is taxable under section 115JB of the Act then exemption on long term capital gain would not be available.

5. As per the provisions of section 115AD of the Act, long term gains accruing to the shareholders of the Company being Foreign Institutional Investors ("FII's") from the transfer of shares of the Company listed on recognized stock exchanges, otherwise than as mentioned in point 4 above, are chargeable to tax at 10 percent (plus surcharge, if applicable* and education cess). The benefit of indexation or currency conversion would not be allowed to such shareholders. Further, where the Gross Total Income ("GTI") of the shareholders includes any income on which tax has been paid as per special rates provided under section 115AD, then the GTI shall be reduced by the amount of such income and deduction under chapter VIA shall be allowed in respect of reduced GTI.

6. The shareholders are entitled to claim exemption in respect of tax on long term capital gains [other than those exempt under section 10(38) of the Act] under section 54EC of the Act, if the amount of capital gains is invested in certain specified bonds /securities within six months from the date of transfer subject to the fulfillment of the conditions specified therein. The maximum amount of investment in the above bonds permissible for claiming the exemption by any person in a financial year is ₹ 5 million. However, according to section 54EC(2) of the Act, if the shareholder transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the previous year in which such bonds are transferred or otherwise converted into money.

7 Under the provisions of section 90(2) of the Act, if the provisions of the DTAA between India and any specified territory / country of residence of the non-resident are more beneficial to the non-resident, then the provisions of the DTAA shall be applicable provided the non-resident is the tax resident of that country and fulfills the other condition specified in DTAA.

8 The filing of return of income within the time allowed under section 139(1) of the Act is mandatory for claiming the carry forward of the loss under section 72 or section 74(1) of the Act.

9 In case the income of the Shareholder from transfer of shares is treated as business income then the income would need to be computed under the head "profit and gains from business or profession" and the provisions of the Act would apply accordingly. Further, the amount of STT paid by the shareholder in respect of the taxable securities transactions entered into the course of his business during the previous year would be eligible for deduction as per section 36(xv) of the Act.

* For the Assessment Year 2012-13 - Surcharge of 2 percent is applicable in case of corporate shareholders, if total income is in excess of INR 10 million (surcharge is not applicable to non-corporate taxpayers). All shareholders are liable to education cess calculated at the rate of 3 percent on tax plus surcharge, if any.

B.3 Non-Resident Indians

Special Tax Benefits

There are no special tax benefits available to the Non- Resident Indians.

General Tax Benefits

1 Under section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act, will be exempt from tax to the extent of ₹1,500 per minor child whose income is so included.

2 Dividend (whether interim or final) declared, distributed or paid, as referred under section 115-O of the Act, by the Company is exempt in the hands of shareholders as per the provisions of section 10(34) of the Act. However, the expenses incurred for earning such exempt dividend will not be allowed under section 14A of the Act read with Rule 8D of the Rules. Further, the credit of DDT paid by the Company to the non-resident Indian shareholder of the Company will be subject to the DTAA between India and any specified territory / country of residence of the non-resident Indian shareholder and the local laws of the country of residence of the non-resident Indian shareholder.

3 The characterization of the gains/losses, arising from sale of shares, as capital gains or business income in the hands of shareholders would depend on the nature of holding and various other factors.

4 The short-term capital gains [as defined under section 2(42B) of the Act] accruing to the shareholder of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, tax will be chargeable at 15 percent (plus surcharge, if applicable* and education cess) as per provisions of section 111A of the Act. Further, no deduction under Chapter VI-A of the Act would be allowed to a shareholder from such short term capital gains subjected to tax under section 111A of the Act. In other case, i.e. where the transaction is not subjected to STT, the short term capital gains would be chargeable as a part of the total income and the tax payable thereon would depend on the income tax rates applicable to the shareholders.

5 The long-term capital gains accruing to the shareholders of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and

where such transaction is chargeable to STT is exempt from tax as per provisions of section 10(38) of the Act.

6 As per the provisions of section 115E of the Act, long term capital gains accruing to the non-resident Indian shareholders of the Company from the transfer of shares of the Company acquired or purchased or subscribed in foreign currency is chargeable to tax at 10 percent (plus education cess*). The benefit of indexation would not be allowed to such shareholders. Further as per section 115D(2) of the Act, no deduction under Chapter VI-A of the Act would be allowed to such shareholder from such long term capital gains subjected to tax under section 115E of the Act.

7 Under the provisions of section 90(2) of the Act, if the provisions of the DTAA between India and any specified territory / country of residence of the non-resident Indian are more beneficial to the non-resident Indian, then the provisions of the DTAA shall be applicable provided the non-resident Indian is the tax resident of that country and fulfills the other condition specified in DTAA.

8 The shareholders are entitled to claim exemption from capital gain [other than those exempt under section 10(38) of the Act] in respect of long term capital asset under section 54EC of the Act, if the amount of capital gains is invested in certain specified bonds / securities within six months from the date of transfer, subject to the fulfillment of the conditions specified therein. The maximum amount of investment in the above bonds permissible for claiming the exemption, by any person in a financial year, is ₹ 5 million. However, according to section 54EC(2) of the Act, if the shareholder transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the previous year in which such bonds are transferred or otherwise converted into money.

9 Exemption from capital gain [other than those exempt under section 10(38) of the Act] in respect of long term capital asset (other than residential house) can be availed under section 54F of the Act by the Shareholders by utilization of the net sales consideration arising from the sale of the Company’s share held for a period of more than 12 months [which is not exempt under section 10(38)], for purchase / construction of a residential house (“new asset”) within the specified time period and subject to the fulfillment of the conditions specified therein which also includes conditions to be satisfied post acquisition of a new asset.

10 Exemption in respect of long term capital gain [as defined under section 115C(d) of the Act] can be availed under section 115F of the Act by the non-resident Indian shareholders by investing the net sales consideration arising from transfer of shares of the Company acquired or purchased or subscribed in foreign currency, in any specified asset [as defined under section 115C(f) of the Act] or in the savings certificates referred to in section 10(4B) of the Act within the specified time period and subject to the fulfillment of the conditions specified therein.

11 It is not necessary for a non-resident Indian Shareholder to furnish the return of income under section 139(1) of the Act if his total income consists only of the investment income (from a foreign exchange asset) or income by way of long-term capital gain (from a foreign exchange asset) and any tax deductible under the provisions of the Act have been so deducted. However, if the total income of the non-resident shareholder consists of any other income then it is mandatory for him to file the return of income within the time allowed under section 139(1) for claiming the carry forward of the loss under section 74(1) of the Act

12 Under the provisions of section 115G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if -

a. his total income in respect of which he is assessable under this Act during the previous year consisted only of investment income or income by way of long-term capital gains or both; and

b. the tax deductible at source under the provisions of Chapter XVII-B has been deducted from such income.

13 As per section 115H of the Act, in case the non-resident Indian shareholder becomes a resident in India, the provisions of the Chapter XII-A can continue to apply in relation to investment made when he was a non-resident Indian. Towards this, the non-resident Indian shareholder needs to furnish a declaration in writing to the Assessing Officer along with his return of income.

14 A non-resident Indian Shareholder may elect not to be governed by the special provisions of the Chapter XII-A of the Act and if he does so then the tax on total income will be charged in accordance with the other provisions of the Act.

15 In case the income of the non-resident Indian shareholder from transfer of shares is treated as business income then the income would need to be computed under the head "profit and gains from business / profession" and the provisions of the Act would apply accordingly. Further, the amount of STT paid by the shareholder in respect of the taxable securities transactions entered into the course of his business during the previous year would be eligible for deduction as per section 36(xv) of the Act.

* For the Assessment Year 2012-13 - Surcharge is not applicable to non-corporate taxpayers, education cess is applicable at 3 percent of tax.

III. Tax Benefits available to the shareholders under the Wealth-Tax Act, 1957

Shares of company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence, no Wealth Tax will be payable on the value of shares held by the shareholder of the Company.

IV. Tax Benefits available to Mutual Funds

As per the provisions of section 10(23D) of the Act, any income of Mutual Funds registered under the SEBI Act, 1992 or regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India and subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf, would be exempt from income tax. However, Mutual Funds will be liable to pay tax on income distributed to unit holders under section 115R of the Act. Also, taxable securities transactions by a Mutual Fund, on a recognized stock exchange, are subject to securities transaction tax at varied rates.

V. Tax Benefits available to New Pension System Trust ("NPS Trust')

1 Any income, including gains from redemption of shares of a company, received by any person for, or on behalf of, the New Pension System Trust (as established under the provisions of Indian Trust Act, 1882, on 27 February 2008), is exempt in the hands of such person under section 10(44) of the Act.

2 With effect from 1 October 2009, securities transaction tax is not leviable in respect of taxable securities transactions entered into by any person for, or on behalf of, the New Pension System Trust.

VI. Tax Deduction at Source

No income-tax is deductible at source from income by way of capital gains under the present provisions of the Act, in case of residents. However, as per the provisions of section 195 of the Act, any income by way of capital gains [except the long-term capital gains exempt under section 10(38) of the Act], payable to non residents, may be covered by the provisions of withholding tax, subject to the provisions of the relevant DTAA with the country of residence of the non-resident provided the non-resident is the tax resident of that country and fulfills the other condition specified in DTAA. Accordingly, income tax may have to be deducted at source in the case of a non- resident shareholder at the rate under the domestic tax laws or under the DTAA, whichever is beneficial to the non-resident unless a lower withholding tax certificate is obtained by the non-resident from the Indian Tax authorities and the same is submitted to the Company. However, payment of income by way of capital gains arising to FII's is exempt from withholding tax.

Notes

a) All the above benefits are as per the present tax laws – mainly the Income-tax Act, 1961 as amended by the Finance Act 2011. The tax laws are subject to change from time to time. Many of these benefits are subject to the Company and the Shareholders complying with various conditions specified in the relevant tax laws.

b) The above statement of possible tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or list of all potential tax consequences. This is not an opinion or assurance that the Company and/or shareholders will be eligible for any of the tax benefits.

c) In respect of non-residents, the tax rates and the consequent taxation, mentioned in this section shall be further subject to any benefits available under the DTAA, if any, between the Government of India and the Government of any specified territory / country in which the non-resident has fiscal domicile provided the non-resident is the tax resident of that country and fulfills the other condition specified in DTAA;

d) The stated benefits will be available only to the sole / first named holder in case the share is held by joint holders.

e) The information stated above is only for the purposes of providing general information regarding the relevant tax laws and is neither designed nor intended to be a substitute for professional tax advice. As the tax consequences are specific to each investor and in view of the changing tax laws, each investor is advised to consult his or her or its own tax consultant with respect to the specific tax implications arising out of his or her or its investment.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information presented in this section, some of which is produced elsewhere in this Red Herring Prospectus, has been extracted and analysed from publicly available documents and reports prepared or published by regulatory bodies, professional organisations and other external sources such as websites of various commodity exchanges, FIA and FMC. These sources have not been prepared or independently verified by the Company, the Selling Shareholders, the BRLMs or any of their respective affiliates or advisors. The Company, the Selling Shareholders and the BRLMs make no representation as to the accuracy or completeness of the information provided in these sources. Unless mentioned otherwise, references to a particular year in this section are to the calendar year ended December 31. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates, and should therefore be regarded as indicative only and treated with appropriate caution. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them.

Overview

We are India's leading commodity futures exchange and offer trading in a wide range of commodity futures. We refer to our industry as the commodity futures industry.

Futures contracts are derivative products that provide means for hedging and asset allocation and are prevalent in nearly all sectors of the global economy. The asset underlying futures contracts could be a physical asset (such as an agricultural commodity) or a financial asset (such as interest rates, foreign exchange products and stock indices). A commodity (as traded on an exchange) is an undifferentiated product whose market value arises from the owner's right to sell the product rather than the right to use the product. Examples of commodities currently traded globally on exchanges include crude oil, gold, copper and various agricultural products such as wheat, corn and soybeans.

Commodity futures contracts are commitments to make or accept delivery of a specified quantity and quality of a commodity at a set time in the future for a price established at the time the commitment is made. The buyer agrees to take delivery of the underlying commodity, while the seller agrees to make delivery. In practice, futures markets are rarely used to actually buy or sell the physical commodity being traded and only a small number of contracts traded worldwide each year result in delivery of the underlying commodity. Instead, traders generally offset (a buyer will liquidate by selling the contract, the seller will liquidate by buying back the contract) their futures positions before their contracts mature. Commodity futures contracts are primarily made available through a centralised trading or computerised matching process, with bids and offers on each contract traded publicly. Through this process, a prevailing futures market price is reached for each commodity futures contract, based primarily on the laws of anticipated supply and demand. Many markets abroad also offer trading in options contracts in commodities. Options are contracts that provide the buyer the right and the seller the obligation to buy or sell, respectively, a futures contract at a certain price for a limited period of time. Under the current Indian regulations, we are not permitted to offer trading in commodity options.

Commodities traded on commodity futures exchanges are required to be delivered near the specified contract expiry date, depending on the delivery option, and at the fixed settlement price (due date rate), ignoring all changes in the market prices. As such, trading in commodity futures allows hedging to protect against serious losses in a rising or declining market, speculation for gain in a rising or declining market and utilising the arbitrage opportunities available. For example, a seller may enter into a futures contract agreeing to deliver grain in two months at a set price. Even if the grain market declines at the end of two months, the seller will still get the higher price specified in the futures contract. If the market rises, however, the buyer stands to gain by paying the lower contract price for the grain and reselling it at the higher market price. For a dealer, manufacturer or exporter who is not generally interested in speculative losses or gains, his only interest is to ensure that he gets the necessary protection against unforeseen fluctuations in prices. Therefore the futures market provides such hedging protection to the various stakeholders in the commodities industry.

Like other futures contracts, commodity futures contracts are traded in standardised units in a transparent, competitive, continuous open floor-based trading or electronic matching process. In this way, commodity futures are able to attract diverse participation and facilitate price discovery. An effective and efficient market for trading in commodity futures requires the following:

- volatility in the prices of the underlying commodities;
- large numbers of buyers and sellers with diverse profiles (e.g., hedgers and speculators);
- fungibility of the underlying physical commodities;
- efficient and liquid exchange platform; and
- robust risk management and surveillance system.

The Global Commodity Futures Market

There are over 30 commodity futures and options exchanges worldwide that trade commodities ranging from energy, metals, agriculture to livestock in many countries including the United States, China, Japan, Malaysia and the United Kingdom. (*Source: Futures Industry Association ("FIA"), FI magazine September 2011 ("FIA Report")).* Some of the commodity futures and option exchanges in the FIA Report are group exchanges, which comprise several individual exchanges that form part of those group exchanges.) The commodity exchanges trade in physical commodity products, as well as in financial instruments. Trading is mostly done in futures and options contracts. Spot trading calls for immediate delivery of a specified commodity and is often used to obtain the goods necessary to fulfil a seller's delivery obligations under futures contracts. According to the FIA Report, strong levels of growth were seen in the trading volume of commodity futures and options, especially those relating to non-precious metals, agricultural, energy and precious metals commodities. The trading volume of futures and options contracts of non-precious metals decreased by 37.7% to 190.37 million for the six months ended June 30, 2011 as compared to the six months ended June 30, 2010, while the trading volume of futures and options contracts of agricultural commodities decreased by 9.1 % to 529.59 million contracts during the same period. The trading volume of futures and options contracts of precious metals rose by 49.8% to 127.49 million contracts between the same period and that of futures and options contracts of energy products rose by 16.0% to 416.24 million contracts for the same period.

Metals Futures

The metal futures contracts include a wide variety of metal commodities, which are typically classified into precious and non-precious metals. Precious metals include gold, silver and platinum. Non-precious metals include lead, aluminium, copper and zinc. Gold is the most popular precious metal in metal futures contracts trading. Trading in gold futures provides individual investors with an easy and convenient alternative to the traditional means of investing in gold, such as bullion, coins, and mining stocks. In addition, a broad cross-section of companies in the gold industry, from mining companies to fabricators of finished products, can use gold futures contracts to hedge their price risk. For a discussion on the most actively traded metals on our Exchange, see "—The Indian Commodities Market—Background—Non-Agricultural Commodity Industry in India."

Energy Futures

Energy futures contracts include energy commodities such as crude oil, natural gas, heating oil, gasoline and coal. Over the past several years, the markets for energy commodities trading have been characterised by rapid growth and high liquidity, which we believe is due to several factors, including:

- increased market acceptance of the value of commodity futures as risk management tools;
- greater access to futures markets through technological innovation;
- increased price fluctuation in crude oil, partially created by geopolitical conditions in oil producing

countries and increased demand in emerging economies;

- increased price fluctuation in natural gas, partially created by weather conditions and increased demand in emerging economies;
- increased demand for commodities as a distinct asset class for portfolio diversification;
- increased participation in energy markets by financial institutions, such as banks and hedge funds;
- increased awareness of the ability to obtain or hedge market exposure through the use of futures and options contracts; and
- changes in the regulatory environment of energy markets around the world, specifically electricity and natural gas.

Methods of Trading

Historically, trading at futures exchanges occurred exclusively on physical trading floors in arenas called "pits" through an auction process known as "open outcry." Open outcry trading is face-to-face trading, with each trader serving as his or her own auctioneer. The traders stand in pits and make bids and offers to one another, by shouting or flashed hand signals, to buy and sell futures contracts. Only members owning or leasing a seat on the exchange may trade in the pit, and orders from individual and institutional traders are sent to these members on the trading floor, usually through a broker. The rules of many exchanges may also permit block trading, which involves the private negotiation of large purchases and sales away from the trading floor, but which are settled and cleared through the exchange's clearing facilities.

In order to expand access to their markets, most futures exchanges, either exclusively or in combination with open outcry trading facilities, are beginning to provide electronic trading platforms that allow subscribing customers to obtain real-time information about bid and ask prices and trading volumes. Such electronic platforms also allow its users to enter orders directly into the platform's centralised order book, subject to the agreement of a clearing firm accepting responsibility for settling resulting transactions on behalf of the customer. The emergence of electronic trading is the result of ongoing development of sophisticated electronic order routing and matching systems, risk management and surveillance systems as well as advances in communication networks and protocols.

Liquidity of Markets

Liquidity of markets is a key component in attracting customers and ensuring the success of a market. Liquidity is important because it means a contract is easy to buy or sell quickly with minimal price disturbance and minimal impact cost. Liquidity is a function of the following:

- the number of participants trading in a contract;
- the size or notional value of the positions that participants are willing to accommodate; and
- the prevailing spread between the levels at which bids and offers are quoted for relevant contracts.

Consequently, the volume of contracts or transactions executed on an exchange is a widely recognised indicator of liquidity on the exchange. Volume is stated in single-sided trades, which represent either matched buy or sell orders. In addition, the daily total of positions outstanding on an exchange, or "open interest", and notional values of contracts traded are widely recognised indicators of the level of customer interest in a specific contract.

A neutral, transparent and relatively anonymous trading environment, as well as a reputation for market integrity, is critical to the establishment and maintenance of a liquid exchange. In addition, a successful exchange must provide cost-effective execution and have access to an advanced technology infrastructure that enables reliable and efficient trade execution, as well as dependable clearing and settlement capabilities. An exchange should also have an efficient and robust risk management and surveillance system.

Market Participants

An efficient exchange for commodity futures requires a large number of market participants with diverse risk profiles. Market participants can be broadly divided into three categories:

- *Hedgers.* Hedgers are generally commercial producers, processors, exporters, importers and consumers of traded commodities who participate in the commodity futures market to manage their cash market price risk. As commodity prices are volatile, participation in the futures markets allow hedgers to protect themselves against the risk of losses from fluctuating prices. Hedging is a type of insurance facility against risk from market price volatility.

- *Speculators.* Speculators are traders who speculate on the direction of futures prices with the goal of making a profit. Since speculators participate in commodity futures market for trading and investment purposes, they typically do not accept physical delivery of commodities and instead liquidate their positions prior to or upon expiry of their futures contracts.

- *Arbitrageurs.* Arbitrageurs are traders who simultaneously buy and sell futures contracts to make money on price differentials across different futures contracts or markets or exchanges.

Clearing and Settlement

Transactions executed on a futures exchange are settled through a "clearing house" that guarantees the settlement of trades done through the exchange. Clearing houses typically facilitate the clearing and settlement process by providing netting. Each clearing firm must be a clearing member of the exchange. Upon trade execution, the clearing house acts as a counterparty to each side of the trade. Under the rules of derivatives exchanges generally, a clearing firm must require that initial margin (which is similar to a security deposit or a performance bond) be deposited by a member who engages in trading activity in amounts at least equal at all times to those specified by the exchanges. Frequently, a clearing firm will require that a client post an additional and/or special margin in excess of the amount specified by the exchange as initial margin to provide additional security. In turn, the clearing firm posts margin with the exchange's clearing house in respect of its clients' positions. In the case of futures contracts, these positions are typically marked-to-market ("MTM") on at least a daily basis. The clearing house will issue an MTM margin call to the clearing firm for additional margin in respect of its clients' positions following adverse market movements, or will credit a clearing firm with MTM margin gains in respect of its members' positions following favourable market movements, at the end of every trading day.

The measures used to evaluate the strength and efficiency of a clearing house include the following:

- the number of transactions that are processed per day;

- the amount of settlement payments that are handled per day; and

- the amount of collateral deposits managed by the clearing house.

Industry Growth

In 1984, total trading volume for futures and options contracts traded globally was 188.00 million contracts. (*Source: FIA, FIA Annual Volume Survey: The Invigorating Effects of Electronic Trading, Futures Industry, March/April, 2005*). In 2010, total contract volume had grown to 22,295.20 million, representing an average compounded annual growth rate of 20.2% for the past 26 years. For the six months ended June 30, 2011, total contract volume traded was 12,402.54 million. (*Source: FIA, FIA Report*).

The following table indicates the volume of futures and options contracts in terms of number of contracts traded globally for the periods indicated:

Global Futures and Options Volume			
in Millions Contracts	**Jan - June 2010**	**Jan - June 2011**	**2011 to 2010 (Jan - June) % Change**
Futures	5,699.35	6,098.78	7.0%
Options	5,554.28	6,303.76	13.5%
Total Volumes	**11,253.63**	**12,402.54**	**10.2%**

Source: FIA Report
Note: Based on the number of futures and options traded and/or cleared by 75 exchanges worldwide

The following table sets out comparative data for the global futures and options volume traded, by category and region, respectively:

Global Futures and Options Volume by Category					
Category (in Millions Contracts)	**Jan - June 2010**	**Computed % Breakup (Jan-June 2010)**	**Jan - June 2011**	**Computed % Breakup (Jan-June 2011)**	**2011 to 2010 (Jan - Jun) % Change**
Equity Index	3,652.4	32.5%	4,165.6	33.6%	14.0%
Individual Equity	3,321.7	29.5%	3,525.4	28.4%	6.1%
Interest Rates	1,659.8	14.7%	1,853.1	14.9%	11.6%
Currency	1,239.8	11.0%	1,513.1	12.2%	22.0%
Commodities*	1,379.9	12.3%	1,345.4	10.8%	-2.5%
Total	**11,253.6**	**100.0%**	**12,402.5**	**100.0%**	**10.2%**

Source -FIA Report
Note: Based on the number of futures and options traded and/or cleared by 75 exchanges worldwide.
* *This includes agricultural, energy (including contracts based on carbon emissions), non-precious metals, precious metals and others (contracts based on commodity indices, credit, fertilisers, housing, inflation, lumber, plastics and weather)*

Global Futures and Options Volume by Region					
Region (in Million Contracts)	**Jan - June 2010**	**Computed % Breakup (Jan - June 2010)**	**Jan - June 2011**	**Computed % Breakup (Jan - June 2011)**	**2011 to 2010 (Jan - Jun) % Change**
Asia Pacific	4,219.22	37.50%	4,910.04	39.60%	16.40%
North America	3,667.72	32.60%	4,044.28	32.60%	10.30%
Europe	2,424.78	21.50%	2,496.45	20.10%	3.00%
Latin America	776.58	6.90%	782.26	6.30%	0.70%
Other*	165.33	1.50%	169.50	1.40%	2.50%
Global Total	**11,253.63**	**100.00%**	**12,402.54**	**100.00%**	**10.20%**

Source -FIA Report
* *Other consists of exchanges in South Africa, Turkey, Israel and Dubai.*
Note: Based on the number of futures and options traded and/or cleared by 75 exchanges worldwide. Location of exchanges is determined by country of registration. Volume based on the number of futures and options contracts traded and/or cleared.

The recent trend in global futures and options may be attributable to the following factors:

- impressive growth of the Asian exchanges, especially in India and China;
- emergence and acceptance of new products offered by the exchanges;
- increasing awareness on the importance of risk management; and

- growing awareness of the opportunities to hedge market exposure through the use of futures and options contracts or hedging comparable market exposure by purchasing or selling the underlying financial instrument or commodity.

The performance of top global commodity futures exchanges in order of volume of futures contract traded for the six months ended June 30, 2011 are set forth in the table below:

Rankings among Top Derivatives Exchanges Worldwide– FIA (Jan – June 2011)	Commodity Futures Rankings in Jan – June 2011	Commodity Futures Exchange	2010 Volume (in millions contracts)	2010 (Jan-June) Volume (in millions contracts)	2011 (Jan-June) Volume (in millions contracts)	Jan – June 2011 vs Jan – June 2010 Change (%)
2	**1**	CME Group (includes CBOT & Nymex)	609.07	298.83	352.96	18.1
11	**2**	Zhengzhou Commodity Exchange	495.90	226.68	217.58	(0.4)
12	**3**	ICE Group (includes U.S., U.K. and Canadian Markets)	264.67	134.34	159.09	18.4
14	**4**	Shanghai Futures Exchange	621.90	300.42	128.54	(57.2)
9*	**5**	**Multi Commodity Exchange**	**197.21**	**90.32**	**127.77**	**41.5**

Source: Data published for the period between January 1 and June 30, 2011 on the websites of the exchanges listed in "Certain Conventions; Use of Market Data" on page 12 and FIA Report and subsequent updates.
Note: Volume is expressed in terms of number of contracts traded. This data is for a single-sided trade.
**FIA ranking of MCX includes MCX-SX Volumes.*

The following table sets forth the top global commodity exchanges (excluding Indian commodity exchanges) according to sector:

Commodity	Exchange	Whether similar commodity futures contracts available on MCX
Energy	CME Group (NYMEX) Inter Continental Exchange Group Shanghai Futures Exchange	Yes
Metals	CME Group (NYMEX) London Metal Exchange Shanghai Futures Exchange	Yes
Grains and Oilseeds	CME Group Dalian Commodity Exchange Zhengzhou Commodity	Yes

Commodity	Exchange	Whether similar commodity futures contracts available on MCX
	Exchange	
Softs	Inter Continental Exchange Group Zhengzhou Commodity Exchange	Yes
Livestock	CME Group	No

Source: FIA Report and data from the respective individual exchanges' websites.

Trends in the Industry

Globalisation, increasingly sophisticated market participants, deregulation, advances in technology and consolidation are changing the way in which the global futures and broader commodities and derivatives exchange markets operate. Each of these trends is described briefly below.

Globalisation

In recent years, the world's financial and commodity derivatives markets have experienced an accelerating pace of globalisation. The emphasis on greater geographic diversification of investments, investment opportunities in the emerging markets in Asian economies, such as India, Korea and China, and expanded cross-border commercial activities are leading to increasing levels of cross-border trading and capital movements. Growth and increasing standards of living in emerging economies including China and India, are causing imbalances in supply and demand of industrial and agricultural commodities. In response to these trends, derivatives exchanges within particular geographic regions are both expanding access to their markets across borders and consolidating.

Although the Indian market is currently domestic in nature, commodities are global in nature and the Indian commodity derivatives market is highly correlated with the global commodity derivatives market. Large end-users and producers of commodities are permitted to hedge their risk in global markets and have also gradually started using the domestic market. The commodity futures exchanges in India have formed strategic alliances globally to increase the integration of the Indian market with the larger global markets. Foreign institutional investors, mutual funds and banks may be permitted to participate in the Indian commodity derivatives markets.

Increasingly Sophisticated Market Participants

An increasingly sophisticated investment community is creating pressure on the financial services industry to utilise more sophisticated risk management techniques, including derivatives.

In addition, increasing pressure from a variety of market participants to improve transparency and to manage more effectively counterparty risks is causing a shift from over-the-counter to exchange-traded derivatives. The Indian commodity derivatives market initially began with physical market participants predominantly taking membership and now there is an increased participation of financial market players in the commodity futures market. Global financial institutions, hedge funds and proprietary trading firms have committed, and are expected to continue to commit, increasing amounts of capital to trading in global commodity futures and options on futures contracts.

Deregulation

Deregulation and the opening of markets within the financial services industry in the United States, Europe and Asia have increased customer access to products and markets, reduced regulatory barriers to product innovation and encouraged consolidation. For example, in the United States, many regulatory barriers to product development were largely repealed by the enactment of the Commodity Futures Modernization Act of 2000. The financial services industry in Europe and Asia has experienced similar changes in their regulatory regimes. Regulators and exchanges in number of Asian countries, including India, have encouraged more developed derivatives markets and liberalisation of their markets.

Technological Advances and Migration to Fully Electronic Trading Markets

Technological advances have led to significant changes both to the decentralisation of exchanges and the introduction of alternative trading systems ("ATS").

- *Decentralisation*. Exchanges are no longer required to operate in specific geographic locations, and customers no longer need to act through local financial services intermediaries in some markets. Market participants around the world are now able to trade certain products nearly 24 hours a day through electronic platforms.
- *Algorithmic Trading / High Frequency Trading*. Algorithmic trading is common in the U.S. and Europe markets and uses strategies that exploit short-lived market opportunities and depend highly on execution speed. Essentially, set software programmes decide when, how and where to trade, without the need for human intervention.
- *Direct Market Access*. Direct Market Access ("DMA") is a facility that allows brokers to offer clients direct access to the exchange trading system through the brokers' infrastructure without manual intervention by the brokers. Some of the advantages offered by DMA include the ability to directly control and faster execution of client orders, reduced risk of errors associated with manual order entry, greater transparency, increased liquidity, lower impact costs for large orders, better audit trails and better use of hedging and arbitrage opportunities through the use of decision support tools and algorithms for trading.
- *Co-Location Facility.* Co-location facility is akin to proximity hosting, except that the exchange hosts the subscriber's server in its data centre, which helps in faster movement of data and execution of trades. The broker with his server next to the exchange engine gets a price feed updated in three to four milliseconds. A broker at a remote location will get the same at a higher latency depending upon the mode of connectivity and the distance from the exchange engine.

The advent of the internet and increasing acceptance and adoption of electronic trading and corresponding decline in floor-based trading has reduced clearing fees, extended trading hours and improved execution efficiency, price transparency and ease of access for a large pool of participants. This development has stimulated higher trading volumes in the derivatives markets among existing participants, and it has also attracted new market participants to these markets, further contributing to increased trading activity.

Move to Commercially Oriented Business Practices at Exchanges and Consolidations

Many exchanges in Europe, North America and Asia have demutualised and converted into publicly traded, for-profit companies. In the past decade, in the United States, the Chicago Mercantile Exchange ("CME"), the Chicago Board of Trade, the International Securities Exchange, the New York Stock Exchange ("NYSE") and the New York Mercantile Exchange ("NYMEX") have all become publicly traded, for-profit exchanges. Consequently, exchanges are adopting commercially oriented business practices with a greater focus on creating shareholder value. The need to build strong records of growth has led these exchanges to improve investor access by introducing electronic trading, increasing transparency, or availability, of trading prices and other data, and aggressively introducing new products. The Singapore Exchange, Tokyo Stock Exchange, Deutsche Börse Group, which owns a controlling interest in Eurex, and Euronext N.V. are major securities exchanges which also operate as futures exchanges. Additionally, a number of exchanges have also reduced their clearing and transaction fees on some competitive products. Deregulation has enabled exchanges to consolidate, which improved the exchanges' cross-border trading capabilities as well as to broaden their range of products and enhanced liquidity to gain operating efficiencies.

Further, as investors become more adept at cross-border trading, competition among global exchanges has become more intense and has resulted in linkages and partnerships between national and international exchanges.

Examples of such consolidation and cross-border linkages and partnerships formed in the past decade include:

- Euronext N.V., which resulted from the merger of the Amsterdam Exchanges N.V., Paris Bourse SBF SA, Lisbon Exchange and Societe de la Bourse de Valeurs Mobilieres de Bruxelles S.A. ("Brussels Exchange") acquired a controlling interest in Liffe and has integrated its derivatives markets to form Euronext.liffe in December 2001;

- the NYSE agreed to acquire Euronext N.V. bringing together six cash equities exchanges in five countries and six derivatives exchanges, providing for listings, trading in cash equities, equity and interest rate derivatives, bonds, and the distribution of market data in June 2006;

- the Australian Securities Exchange and the Sydney Futures Exchange merged on July 25, 2006;

- on July 12, 2007 the Chicago Mercantile Exchange Holdings Inc. and Chicago Board of Trade Holdings, Inc. ("COBT") completed their merger to form CME Group, Inc.;

- Intercontinental Exchange ("ICE") acquired Winnipeg Holdings, Inc. and the all-electronic Winnipeg Commodity Exchange on August 28, 2007 and all trading on the exchange transitioned to the ICE electronic platform on December 10, 2007;

- ICE acquired the New York Board of Trade, which was renamed ICE Futures U.S. on September 3, 2007;

- on March 17, 2008 CME Group, Inc., which owns CME, and NYMEX Holdings, Inc., which owns the NYMEX and COMEX exchanges, announced that they have signed a definitive agreement under which CME Group, Inc. will acquire NYMEX Holdings, Inc. On August 22, 2008 CME Group, Inc. completed the acquisition of NYMEX Holdings, Inc. and the operations of CME and NYMEX merged in 2008;

- NYSE Euronext acquired CBOT's precious metal complex from CME Group, Inc. to introduce as NYSE Liffe U.S. and on September 8, 2008 these products were successfully transitioned to NYSE Liffe U.S.;

- on February 1, 2009 CME Group, Inc. and the Dubai Mercantile Exchange Limited ("DME") announced the migration of DME's contracts to the CME Globex electronic trading platform. The transition enables the world's three crude oil benchmarks – West Texas Intermediate, Brent and Oman – to trade on the same platform alongside CME Group products across all major asset classes;

- on September 17, 2009, Bursa Malaysia Berhad ("Bursa Malaysia") and CME signed a strategic partnership agreement to facilitate the globalisation of Malaysian crude palm oil futures market, as well as Bursa Malaysia's derivatives market, and through which CME acquired 25.0% of the shareholding of Bursa Malaysia;

- on February 12, 2010, CME Group, Inc. and Bolsa de Valores, Mercadorias & Futuros de São Paulo ("BM&FBOVESPA") agreed to become global preferred strategic partners in the development of a new multi-asset class electronic trading platform that will be deployed by BM&FBOVESPA for use in its cash equities and derivatives markets; the two exchange groups are also cross-shareholders, with CME holding 10.0% of the shareholding of BM&FBOVESPA and BM&FBOVESPA holding 5.0% of the shareholding of CME;

- on March 17, 2010, the NASDAQ OMX Group, Inc. announced the acquisition of Nord Pool ASA, the world's largest power derivatives exchange and one of Europe's largest carbon exchanges; and

- on April 30, 2010, ICE announced that it had agreed on the terms to acquire Climate Exchange plc ("CLE"), a leader in the development of traded emissions markets. CLE operates European Climate Exchange and the Chicago Climate Futures Exchange.

We believe that these trends have been a major factor contributing to the recent growth in trading volumes across many of the world's largest financial markets, and particularly the derivatives markets. We also believe that the exchanges' focus on increasing shareholder value will result in more competition, which in turn will foster continued innovation, lower fees and consolidation as exchanges seek to gain greater operating efficiencies necessary to compete for clients.

The Indian Commodities Market

Commodities play an important role in India's economy. India has over 7,000 regulated agricultural markets, or *mandis*, and the majority of the nation's agricultural production is consumed domestically, according to the Agricultural Marketing Information Network (*Source: Agricultural Marketing Information Network official website)*. India is the world's leading producer of several agricultural commodities. The agriculture sector accounted for approximately 14.2 % of India's gross domestic product ("GDP") at a constant price (2004-05) for the fiscal 2011. India's GDP at current market prices for the fiscal 2011 was estimated to be ₹ 78,779.47 billion (*Source: Economic Survey 2010-11*). There are currently 21 commodity exchanges recognised by FMC in India offering trading in over 60 commodity futures with the approval of FMC. In the fiscals 2009, 2010 and 2011, the total value of commodities traded on commodity futures exchanges in India was ₹ 52,489.57 billion, ₹ 77,647.54 billion and ₹ 119,489.42 billion, respectively. The total value of commodities traded on commodity futures exchanges in India for the first nine months ended December 31, 2011 was ₹ 137,228.55 billion.

Background

Agricultural Commodity Markets

India has a predominantly agrarian economy and its commodity markets have a long history. India's agricultural commodity markets were initially formed when producers and buyers met at designated locations to trade in their produces. India's wholesale spot markets for agricultural commodities have remained relatively unchanged. Agricultural commodities are predominantly traded in government-regulated wholesale markets or *mandis*. *Mandis* are often located in or near important towns or centres of production, consumption or shipping where sellers, buyers and intermediaries converge to buy and sell goods. Since almost all orders flow through the *mandis*, they are a source of daily information about the quantity of agricultural commodities and the price at which agricultural commodities trade for the respective geographic areas in which the *mandis* are located.

Non-Agricultural Commodity Industry in India

Energy products, precious metals like gold and silver and non-ferrous metals play a significant and vital role in the growth of the Indian economy. The following discusses some of the commodities which most actively traded on our Exchange.

- *Gold.* Nations have embraced gold as a store of wealth and a medium of international exchange, and individuals buy gold as insurance against the day-to-day uncertainties of paper money. Gold is also a vital industrial metal, used in electronics and other high-tech applications. Gold occupies an important role in India. Apart from being a symbol of wealth, many social and cultural elements of Indian culture are associated with gold. However, despite being the largest consumer of gold, the Indian market has limited influence on the price of gold bullion in the world markets as it is heavily dependent on imports and its markets are scattered across the country.

- *Crude oil.* Many markets are related with the global crude oil market in various ways. Crude oil is used for the production of a wide range of products from petrol, diesel, kerosene and from liquefied petroleum gas to naphtha and other petrochemicals products. According to provisional data from the oil industry statistics for fiscal 2011 and eight months ended November 30, 2011 as published by the Petroleum Planning and Analysis Cell of the Ministry of Petroleum and Natural Gas, a total of 163.13 MMT and 112.12 million metric tonnes ("MMT"), respectively, of crude oil, valued at ₹ 4,536.34 billion and 4,152.38 billion, respectively, was imported into India. Crude oil production in the country was 37.95 MMT and 25.53 MMT during fiscal 2011 and eight months ended November 30, 2011, respectively. (*Source: Official website of Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas*). India imported 81.1% and 81.5% of its crude oil requirements during this fiscal 2011 and eight months ended November 30, 2011, respectively, and was highly exposed to global crude oil price movements.

- *Silver.* Silver is sought as a valuable and practical industrial commodity, and as an appealing investment. The largest industrial users of silver in India are in the photographic, jewellery, and electronic industries.

- *Copper.* Copper is the world's third most widely used metal, after iron and aluminium, and is primarily used in highly cyclical manufacturing industries. In India, copper is the second most consumed non-ferrous metal, after aluminium. At present, the demand for copper minerals for primary copper production is met through two sources, namely copper ore mined from indigenous mines, and imported concentrates. The production of refined copper in India has increased considerably since the fiscal 1999 after private sector manufacturers started production of refined copper, and now a considerable portion of consumption is met through domestic production. According to the estimates of the Indian Copper Development Centre, in the fiscal 2010, refined copper usage in India was approximately 550,000 MT. (*Source: Annual Report of the Ministry of Mines 2010-11).*

The Indian Commodity Derivatives Markets

The history of commodity futures markets in India dates back to 1875 when trading in cotton contracts began under the auspices of the Bombay Cotton Trade Association, which is considered as India's first organised futures market. Subsequently, trader began to trade in oilseeds, jute and food grains. By the Second World War, futures trading in an organised form had also commenced in other commodities such as castor seed, wheat, rice, sugar and precious metals like gold and silver. In 1953, the Forward Markets Commission ("FMC") was established to regulate commodity futures trading. The growth and development of commodity futures markets was halted in the 1960s when commodity futures trading was banned *en masse* by the Government of India. From the late 1970s, select commodities were permitted for futures trading. Futures trading witnessed a renewed surge in the 1990s, in tandem with India's economic liberalisation, as the growing realisation of imminent globalisation under the World Trade Organisation ("WTO") regime. Further, the Government of India experienced difficulty in supporting the prices in the Indian commodity markets, leading to the exploration of alternative market-based mechanisms, such as futures trading, to offer protection to the commodity sector from price volatility. On April 1, 2003, the Government of India issued a notification which rescinded previous regulatory barriers to trading in commodity futures. At that time, there were 21 regional commodity exchanges mainly concentrating on a single or few commodities. Subsequently, the Government of India authorised the establishment of national multi-commodity exchanges to facilitate electronic trading of commodity futures, three of which, MCX, NCDEX and NMCE, were operational by the end of the calendar year 2003. There are currently five electronic multi-commodity national exchanges which are recognised by the Government of India, namely:

- Multi Commodity Exchange of India Limited ("MCX"), our Exchange, located in Mumbai;
- National Commodity and Derivatives Exchange Limited ("NCDEX"), located in Mumbai;
- National Multi Commodity Exchange Limited ("NMCE"), located in Ahmedabad;
- Indian Commodity Exchange Limited ("ICEX"), located in Gurgaon; and
- Ace Derivatives and Commodity Exchange, located in Ahmedabad ("ACE").

In July 2010, FMC announced new guidelines for all national commodity exchanges with respect to the regulatory framework for market access through "Authorised Persons". These guidelines provide that all national commodity exchanges should discontinue the system of sub-brokers, by whatever name called. The guidelines allowed the member of the national commodity exchanges to provide access to their clients only through "Authorised Persons". "Authorised Person" is defined to "*mean and include any person whether being an individual (including proprietors), a partnership firm as defined under the Indian Partnership Act 1942, a Limited Liability partnership (LLP) or body corporate as defined under the Companies Act, 1952 – who is appointed as such by a member of a recognised commodity derivative exchange upon the approval of such commodity exchange, for providing access to the trading platform of commodity derivative exchange, as an agent of the member of the commodity derivative exchange."* The guideline requires the exchanges to take appropriate steps to ensure smooth transition within a stipulated time frame of not more than 60 days from the date of issue of this guideline and further extended thereafter.

In August 2010, FMC gave 'in- principle' approval to Universal Commodity Exchange ("UCX") to set up a national multi-commodity exchange. UCX has been given one year to set up required infrastructure and capital to function as a national commodity exchange.

In September 2010, Ministry of Consumer Affairs in consultation with the FMC decided to allow eight commodity exchanges to function at the national level. The Indian Cabinet in September 2010 approved amendments to the Forward Contracts (Regulation) Act 1952, creating the way for the introduction of the Forward Contracts (Regulation) Amendment Bill, 2010 in Parliament.

Regulation of Indian Commodity Exchanges

We operate in a highly regulated industry. The Forward Contracts (Regulation) Act, 1952 ("FCRA") is the principal legislation for the commodity futures market in India. The FCRA and the Forward Contracts (Regulation) Rules, 1954 ("FCRR") provide for the regulation of commodity futures trading under a three-tier system, which consists of the following governing bodies:

- the Department of Consumer Affairs, Ministry of Consumer Affairs Food and Public Distribution;
- FMC; and
- an Exchange or Association recognised by the Central Government on the recommendation of FMC.

On May 14, 2008, the Department of Consumer Affairs, Ministry of Consumer Affairs Food and Public Distribution issued revised guidelines to regulate the grant of recognition to new national commodity exchanges under the provisions of the Forward Contracts (Regulation) Act, 1952. These guidelines were further amended on June 17, 2010. It specifies a two-stage process for granting recognition to a new exchange.

First Stage. In the first stage, applications for setting up a nationwide multi-commodity exchange may be submitted by reputed associations, companies, organisations or consortia of such entities to the Government through FMC. The Government, on being satisfied that it would be in the interest of trade and public good to do so, may grant in-principle approval for setting up of a national multi-commodity exchange. In-principle approval may be granted to the applicant who fulfils the prescribed criteria, such as:

- the proposed exchange, sponsored or promoted by associations, companies, organisations or a consortium of such entities should be registered as a public limited company incorporated under the Companies Act, 1956 with a minimum authorised equity capital of ₹ 1,000.0 million;
- the proposed exchange shall have a demutualised structure, *i.e.* the shareholders of the exchange will not have any trading interest therein;
- one or more of the initial partners or members of the promoter consortium must be a Government company, as defined in the Companies Act, 1956, contributing at least 26.0% of the paid up equity capital of the proposed exchange;
- the shareholding of institutional investors shall not be less than 20.0% with a minimum of 10.0% from the category of Government companies, co-operative societies (as defined in the Societies Act), federations manufacturing or marketing agricultural inputs or marketing agricultural produce or owning and operating warehouses;
- stock or commodity exchanges and public financial institutions are subject to the following rules:

  (i) no single stock exchange (along with any person acting in concert) is permitted to hold more than 5.0% in the paid up equity share capital of the exchange. The cumulative holding of other stock exchanges in the relevant stock exchange shall not increase more than 10.0%;

  (ii) no single commodity exchange (along with any person acting in concert) is permitted to hold more than 15.0% of the paid up equity capital of the commodity exchange; and

(iii) the cumulative shareholding of all stock or commodity exchanges (along with any person acting in concert) in the a national commodity exchange is not permitted to exceed 20.0% at any given point of time;

- no individual shall hold more than 1.0% of the paid up equity capital of the exchange and the total of such individual holdings shall not exceed 25.0% of the paid up capital;
- no single shareholder either individually or together with persons acting in concert with it shall be allowed to hold more than 40.0% of the paid up equity capital of the proposed exchange;
- investment in the initial paid up capital by shareholders shall be subject to a lock-in period of three years from the date of recognition of the exchange, unless otherwise permitted by FMC in exceptional cases;
- an investor holding more than 26.0% of shares has to reduce its shareholding to a maximum of 26.0% within four years of the date of recognition of the exchange; and
- shareholders have to align their shareholding in accordance with the guidelines notified by the Government from time to time.

Second Stage. FMC's guidelines specifies that in the second stage, the applicant who has been granted an in-principle approval will have to comply with the conditions imposed by the Government within a period of one year from the date of grant of in-principle approval. These conditions include:

- to increase paid up capital to at least ₹ 1,000.0 million;
- to set up facilities for online trading with national reach and an efficient real time monitoring and surveillance system;
- provide for an efficient clearing and settlement system including establishment of a settlement guarantee fund;
- arrange for an efficient delivery mechanism through an adequate network of accredited warehouses;
- have an independent and professional management;
- provide for adequate infrastructure for dissemination of real time price and trade information;
- provide for adequate infrastructure for research and development on commodities, contracts and development of trade;
- submit draft rules, regulations and bye-laws for conduct of business for in-principle approval of FMC;
- plan for a network of well organised and capitalised brokerage houses as members and other intermediaries; and
- provide for an efficient and effective grievance redressal mechanism.

Commodity Exchanges in India

There are currently 21 commodity exchanges and associations which are recognised by the Government of India and authorised to organise and regulate futures trading in various commodities. Of these exchanges, 16 are "regional" or "localised" exchanges, which are spread across India. Most of these regional exchanges practice the "open-outcry" system. Some of these regional exchanges trade in just a few commodities. The five national multi-commodity exchanges, namely MCX, NCDEX, NMCE, ICEX and ACE offer electronic trading in numerous commodity futures contracts. Four of these exchanges—MCX, NCDEX, NMCE and ICEX—accounted for 98.8% of the turnover of commodity futures contracts traded in India during the fiscal 2010. These five national multi-commodity exchanges (including ACE, which was started in October 2010) accounted for 99.4% and 99.7% of the turnover of commodity futures contracts traded in India for the fiscal 2011 and the nine months ended December 31, 2011, respectively.

Multi Commodity Exchange of India Limited ("MCX"). Our Company received permanent recognition from the Government of India to facilitate nationwide online trading, clearing and settlement operations for commodity futures markets in September 2003. Trading commenced on our Exchange in November 2003. According to data maintained by the FMC, for the fiscals 2009, 2010, 2011 and the nine months ended December 31, 2011, our Company had 87.4%, 82.3%, 82.4% and 87.3% of the market share of the Indian commodity futures exchange industry, respectively, in terms of the value of commodities traded in futures markets during the relevant period. (*Source: Market share data maintained by FMC*). According to FMC data, 43 and 47 commodities were traded on MCX for the fiscal 2011 and the nine months ended December 31, 2011, respectively.

National Commodity and Derivatives Exchange Limited ("NCDEX"). NCDEX commenced operations in December 2003. For the fiscals 2009, 2010, 2011 and the nine months ended December 31, 2011, NCDEX had 10.2%, 11.8%, 11.8% and 9.4% of the market share of the Indian commodity futures exchange industry, respectively, in terms of the value of commodities traded in futures markets during the relevant period. (*Source: Market share data maintained by FMC*). According to FMC data, 34 and 29 commodities were traded on NCDEX for the fiscal 2011 and the nine months ended December 31, 2011, respectively.

National Multi Commodity Exchange of India Limited ("NMCE"). NMCE was India's first demutualised national multi-commodity exchange, having commenced futures trading in November 2002. For the fiscals 2009, 2010, 2011 and nine months ended December 31, 2011, NMCE had 1.2%, 2.9%,1.8% and 0.9% of the market share of the Indian commodity futures exchange industry, respectively, in terms of the value of commodities traded in futures markets during the relevant period. (*Source: Market share data maintained by FMC*). According to FMC data, 24 and 26 commodities were traded on NMCE for the fiscal 2011 and the nine months ended December 31, 2011, respectively.

Indian Commodity Exchange Limited ("ICEX"). ICEX received FMC approval to begin operations as a national bourse in October 2009. On November 27, 2009, ICEX commenced trading operations. ICEX became the fourth national level exchange after MCX, NCDEX and NMCE. ICEX had 1.8% 3.2% and 1.4% of the market share of the Indian commodities futures industry in terms of the value of the commodities traded in futures markets for the fiscals 2010 and 2011 and the nine months ended December 31, 2011, respectively. According to FMC data, 14 and 13 commodities were traded on ICEX for the fiscal 2011 and the nine months ended December 31, 2011, respectively.

ACE Derivatives & Commodity Exchange Limited ("ACE"). Ace Derivatives and Commodity Exchange, which transformed from a regional exchange to a national multi-commodities futures trading platform, was launched on October 27, 2010. ACE had 0.3% and 0.7% of the market share of the Indian commodities futures market in terms of the value of the commodities traded in futures markets for the fiscal 2011 and the nine months ended December 31, 2011. According to FMC, six and eight commodities were traded on ACE during the fiscal 2011 and the nine months ended December 31, 2011, respectively.

The following table contains additional details for each of the exchanges described above:

Exchange	Nine Months Ended December 31, 2011		Fiscal 2011		Fiscal 2010		Fiscal 2009	
	Turnover (₹ million)	Market Share (%)	Turnover (₹ million)	Market Share (%)	Turnover (₹ million)	Market Share (%)	Turnover (₹ million)	Market Share (%)
MCX	119,806,891	87.3	98,415,030	82.4	63,933,025	82.3	45,880,946	87.4
NCDEX	12,875,536	9.4	14,106,022	11.8	9,175,847	11.8	5,357,070	10.2
NMCE	1,206,330	0.9	2,184,109	1.8	2,279,015	2.9	614,566	1.2
ICEX	1,977,409	1.4	3,777,299	3.2	1,364,254	1.8	-	-
ACE*	991,282	0.7	300,596	0.3	59,794	0.1	87,810	0.2
Others	371,099	0.3	706,368	0.6	835,610	1.1	549,176	1.0

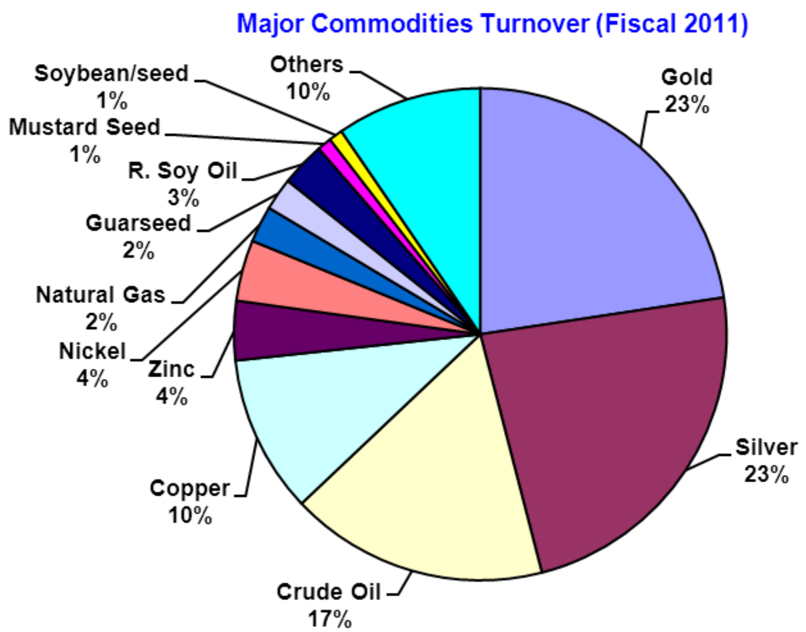
Exchange	Nine Months Ended December 31, 2011		Fiscal 2011		Fiscal 2010		Fiscal 2009	
	Turnover (₹ million)	Market Share (%)	Turnover (₹ million)	Market Share (%)	Turnover (₹ million)	Market Share (%)	Turnover (₹ million)	Market Share (%)
TOTAL	**137,228,547**	**100.0**	**119,489,425**	**100.0**	**77,647,545**	**100.00**	**52,489,568**	**100.00**

Source: *Except for data pertaining to MCX, all data has been sourced from market data maintained by FMC. Note: ICEX commenced its trading operations on November 27, 2009. In October 2010, Ace Derivatives and Commodity Exchange (formerly Ahmedabad Commodity Exchange) transformed from a regional exchange to a national multi-commodity futures trading platform.*

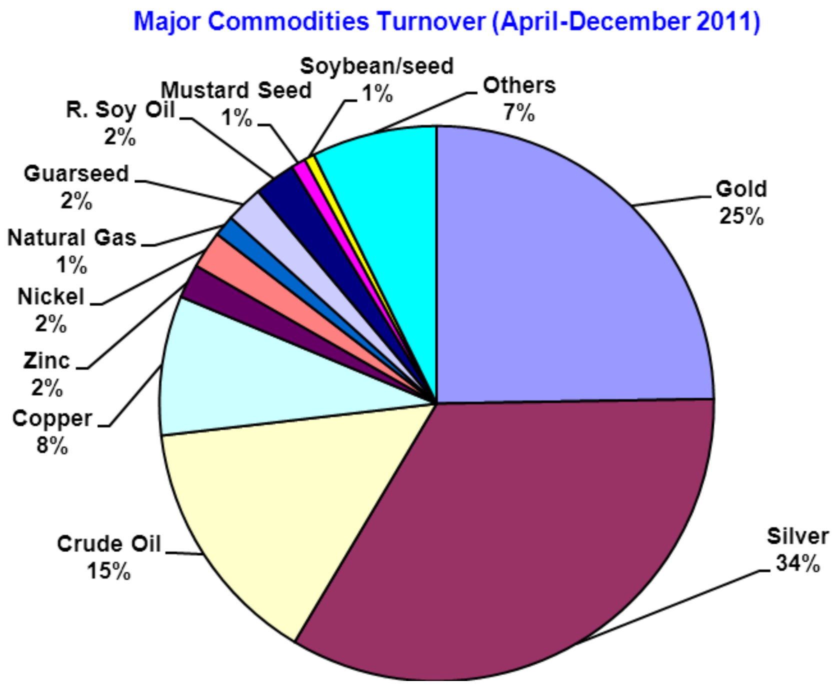
Industry Growth in India

Commodity futures trading in India has grown since the Government of India issued a notification on April 1, 2003 permitting futures trading in commodities. The total value of commodities futures traded in India in the fiscal 2011 was ₹ 119,489.42 billion, representing growth of approximately 90-fold from the value of commodity futures contracts traded in the fiscal 2004, which was ₹ 1,293.67 billion. Commodity futures trading volumes have risen at a compound annual growth rate of 90.9% between fiscal 2004 and fiscal 2011.

There are currently over 60 commodities futures that have been approved by the FMC for trading during the calendar year 2011 with gold, silver, crude oil, copper, zinc, nickel and natural gas comprising the majority of the trading turnover for the fiscal 2011 and the nine months ended December 31, 2011, as depicted in the graph below:



(Source: Market share data maintained by FMC and MCX.)



(Source: Market share data maintained by FMC and MCX.)

Growth Drivers in the Industry

The following factors are expected to contribute the future growth of the Indian commodity futures markets:

Indian Economic Growth. India is one of the fastest growing economies in the world, with an average GDP at a factor cost (2004-05 prices) estimated growth rate of 8.6% per annum during the fiscal 2011. (*Source: Economic Survey 2010-11*). We believe the growth of the overall economy in India is expected to drive the underlying demand for commodities. The increase in physical market volumes may increase the hedging requirements of industry players, which influences derivative trading volumes. In developed markets, commodity derivatives volumes are generally a multiple of the underlying physical commodity volumes. Therefore, as the consumption of physical commodities increases in India, the volumes of commodity derivatives being traded may also increase.

Government of India Initiatives to Modernise Commodity Futures Markets. The Government of India's initiatives, some of which are listed below, to modernise the commodity futures markets are expected to further stimulate trading interest in commodity futures and commodities generally

Introduction of Options. According to the FIA, options trading volumes in the global derivatives markets constituted around 50.8% of the total futures and options volumes traded for the six months ended June 30, 2011. If trading in commodity options are permitted by the Government, it may lead to increases in volumes and overall growth in the Indian commodity derivatives market.

Introduction of New Commodity Classes. If the trading of intangibles such as freight, rainfall and commodity indices are permitted by the Government, these new contracts may drive the growth in the Indian commodity derivatives trading market.

Increased Investor Participation. New participants are expected to enter the commodity trading markets as exchanges become more accessible, availability of market information increases and awareness regarding the benefits of hedging becomes more widespread. These new market participants may include the following:

- equity investors seeking to diversify their equity portfolios;
- manufacturers seeking to hedge against input price risks;
- oil refiners seeking to hedge their crack spreads; and
- banks seeking to hedge their risk against collateral.

The Government of India may also consider permitting banks, mutual funds and foreign institutional investors to trade in India's commodity futures markets. The entry of these new market participants may lead to increases in the trading volumes of commodity futures in India.

Technological advancements. The adoption of technological advancements by national exchanges would enable electronic trading and increased geographical reach. Other factors such as reliability of systems, risk management tools, price transparency and real time information through improved technology has also led to increased participation in the commodity futures markets.

Migration of trading volumes. At present, regional exchanges recognised by the Government of India are fragmented and illiquid, which reduces their attractiveness to investors. Trading volumes from regional and unregulated markets may migrate to national, multi-commodity exchanges with higher liquidity, transparent pricing, central clearing, robust risk management and surveillance system, efficient delivery mechanism and lower delivery and cash risks.

OUR BUSINESS

Overview

We are the leading commodities exchange in India based on value of commodity futures contracts traded. We are a de-mutualised exchange and received permanent recognition from the Government of India on September 26, 2003, to facilitate nationwide online trading, clearing and settlement operations of commodities futures transactions. The total value of commodity futures contracts traded on our Exchange in the nine months ended December 31, 2011 and the fiscals 2011, 2010 and 2009 was ₹ 119,806.89 billion, ₹ 98,415.03 billion, ₹ 63,933.03 billion and ₹45,880.95 billion, respectively. According to data maintained by the FMC, these amounts represented 87.3%, 82.4%, 82.3% and 87.4% of the Indian commodity futures industry in terms of the value of commodity futures contracts traded during the same periods.

A majority of the commodities we offer are significant in the Indian and global context and are also traded on international exchanges. As of December 31, 2011, we offered trading in 49 commodity futures based on contract specifications, from a diverse range of classes including bullion, ferrous and non-ferrous metals, energy and agriculture. The same underlying physical asset traded under different contract specifications is regarded as a separate commodity future. For example, Gold, Gold Mini and Gold Guinea, all of which are gold futures contracts, are treated as three different commodities in deriving the total number of commodity futures traded on our Exchange. As of December 31, 2011, we had 2,153 members on our Exchange's platform, with over 296,000 terminals including CTCL spread over 1,572 cities and towns across India.

For the nine months ended December 31, 2011, the total number of futures contracts in silver, gold, crude oil and copper, which were the top four commodities traded on our Exchange, was 101.80 million, 72.80 million, 42.66 million and 26.87 million, respectively. During the fiscal 2011, the total number of futures contracts in silver, gold, crude oil and copper, which were the top four commodities traded on our Exchange, were 46.0 million, 30.5 million, 46.3 million and 31.0 million, respectively. Based on the comparison of the trading volumes of our Exchange with those of the leading global commodity futures exchanges in the world, for the calendar year 2010 and the six months ended June 30, 2011, we were the largest silver exchange, the second largest gold, copper and natural gas exchange and the third largest crude oil exchange, in terms of the number of commodity futures contracts traded for each of these commodities for this period. We were also the fifth largest commodity futures exchange globally, among all the commodity exchanges considered in the Futures Industry Association ("FIA") survey, in terms of the number of contracts traded for the six months ended June 30, 2011. (*Source: Data published for the period between January 1 and June 30, 2011 on the websites of the exchanges listed in "Certain Conventions; Use of Market Data" on page 12, and FIA, FI magazine, September 2011 ("FIA Report"))*.

We were the first national commodity futures exchange in India to offer futures trading in steel, crude oil and several other commodities, including carbon credits. In December 2009, we launched the exchange of futures for physicals ("EFP") facility for the first time in India. In May 2010 and June 2010, we launched our Zinc Mini futures and Lead Mini futures contracts, which offer trading in these metals in smaller lot sizes. In January 2011, we also launched Iron Ore future contracts. Additionally, we launched Silver Micro and Aluminium Mini contracts in February 2011, Gold Petal contracts in April 2011, Gold Petal New Delhi contracts in November 2011, and Copper Mini and Nickel Mini contracts in December 2011, all of which offer trading in these metals in smaller lot sizes. In October 2011, we also launched Cotton (29mm) futures contracts. We were the first exchange in India to initiate evening sessions to synchronise with the trading hours of global exchanges in London, New York and other major international markets. (*Source: Data sourced from the websites of the relevant exchanges in India*).

Our operations are sustained by the exchange related support infrastructure and software that we have or sourced from our Promoter, FTIL. Our technology infrastructure includes central matching engines, high end Intel servers, channel based storage area network and networking equipment for providing secured connectivity through very small aperture terminals ("VSATs"), virtual private networks ("VPN"), leased lines and the internet. We have been certified under ISO 9001:2008 for quality management standards and ISO 14001:2004 for environmental management systems with respect to developing and providing services for online trading, clearing and settlement facilities, and risk monitoring of commercial derivatives market. We have also achieved the ISO/IEC 27001:2005 certification, which is the global benchmark for information security management systems.

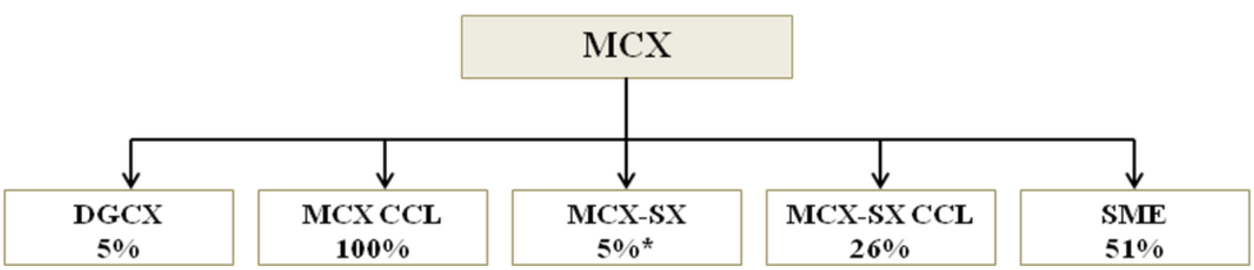
We offer market data and information services to third parties in relation to the commodity futures contracts traded on our Exchange for direct and indirect dissemination to market participants. We have entered into agreements with several financial information service agencies, including Bloomberg Finance L.P., IQN Data Solutions Private Limited, Interactive Data (Europe) Limited, NewsWire 18 Private Limited, TickerPlant Limited and Reuters India Private Limited to provide real time data-feed on trading prices, trading volume and other information on the commodity futures contracts which are traded on our Exchange and similar information on commodities traded on the spot markets.

As part of our efforts to promote more extensive participation in the Indian commodities market, we have focused on disseminating information, providing training and educational programs to increase awareness of the Indian commodities industry to market participants. We have entered into arrangements with a number of educational institutions and commodities trade organisations to educate existing and potential market participants on the dynamics of the commodities market, provide management development programs for decision makers and industry leaders in the Indian commodities markets and provide training and certification programs relating to the Indian commodities market. We have relationships with, among other institutions, Department of Economics (Autonomous) University of Mumbai, FT Knowledge Management Company Limited, Symbiosis Institute of International Business and Takshashila Academia of Economic Research Limited. We believe that these efforts will help increase the overall market size of the Indian commodities industry, and help expand our membership base. In addition, we have entered into agreements with National Bulk Handling Corporation Limited ("NBHC") for the provision of services in connection with warehousing and the physical deliveries for settlement of futures contracts traded on our Exchange.

On September 23, 2011, we recorded the highest daily turnover on our Exchange since our inception, which was ₹ 1,116.66 billion. The average monthly turnover on our Exchange for the nine months ended December 31, 2011, and the fiscals 2011, 2010 and 2009 was ₹ 13,311.88 billion, ₹ 8,201.25 billion, ₹ 5,327.75 billion and ₹ 3,823.41 billion, respectively. For the same periods, the average daily turnover on our Exchange was ₹ 514.19 billion, ₹ 320.57 billion, ₹ 209.62 billion and ₹ 148.96 billion, respectively.

We derive our income primarily from transaction fees with respect to the trades executed on our Exchange, annual subscription fees, member admission fees, terminal charges, proceeds of sale and dividends from investments and interest from bank deposits. For the fiscal 2011 and the nine months ended December 31, 2011, our total consolidated income was ₹ 4,475.60 million and ₹ 4,745.02 million, respectively, and our net profit, as restated, was ₹ 1,762.73 million and ₹ 2,179.52 million, respectively.

Our Promoter owns 31.18% of our equity share capital. Our other larger shareholders include financial institutions and other entities from the financial sector, such as FID Funds (Mauritius) Limited (an affiliate of Fidelity International), Euronext N.V. (an affiliate of NYSE Euronext) and Merrill Lynch Holdings (Mauritius). We have also made strategic investments in several related businesses which we believe are potential revenue growth drivers. The following chart shows our strategic investments as of the date of this Red Herring Prospectus:



* We also hold 634,170,000 warrants issued by MCX-SX pursuant to the Scheme. For further details, see the sections titled "Other Companies" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Restructuring of Shareholding in MCX-SX" on pages 241 and 387, respectively.

Competitive Strengths

We believe the following are our core competitive strengths:

Leadership Position in the Commodity Futures Industry

We are the leading commodity futures exchange in India in terms of value of commodity futures contracts traded in metals, energy and certain agricultural commodities. According to data maintained by FMC, the total value of commodity futures contracts traded on our Exchange for the nine months ended December 31, 2011, the fiscals 2011 and 2010 constituted 87.3%, 82.4% and 82.3%, respectively, of the Indian commodity futures industry during those periods. Among the national commodities exchanges in India, our market share based on the total value of commodities traded in futures markets for the nine months ended December 31, 2011 for gold, crude oil, silver, copper and natural gas futures contracts was approximately 97.1%, 94.8%, 98.5%, 94.9% and 99.9%, respectively. (*Source: Information derived from FMC April – December 2011 data*). We were the fifth largest commodity futures exchange globally, among all the commodity exchanges considered in the FIA survey, in terms of the number of contracts traded and were among the leading commodity exchanges in the world in terms of trading volumes of certain commodities. Based on the comparison of the trading volumes of our Exchange with the leading global commodity futures exchanges in the world, for the calendar year 2010 and the six months ended June 30, 2011, we were the largest silver exchange, the second largest gold, copper and natural gas exchange and the third largest crude oil exchange for this period. We believe that our leadership position in these products gives us a competitive advantage.

Product and Service Innovation

We believe that our strength lies in our ability to introduce new and innovative products, *i.e.* commodity futures contracts, and services on our Exchange. We were the first exchange in India to offer futures trading in steel, crude oil, and almond. In June 2005, we launched MCXCOMDEX, India's first real time composite commodity futures index, which provides our members with valuable information regarding market movements in the key commodities, as determined by physical market size in India, which are actively traded on our Exchange. We have introduced several other indices, including MCXAgri (agricultural commodities index), MCXEnergy (energy commodities index) and MCXMetal (metal commodities index). We also have three rain indices, namely RAINDEXMUM (Mumbai), RAINDEXIDR (Indore), and RAINDEXJAI (Jaipur) which track the progress of monsoon rains in their respective geographic locations. We were the first exchange in India to initiate evening sessions to synchronize with the trading hours of global exchanges in London, New York and other major international markets. In addition, we provide our members with real time market information regarding prices and trading activity, which we believe may help refine investment decisions. In December 2009, we launched EFP transactions for the first time in India, which enables parties with futures positions to swap their positions in the physical markets and *vice versa*. In October 2009, we teamed up with a third party to jointly release the "Commodity Insights Yearbook 2009", which we believe is a first of its kind publication in India on commodities. In December 2010, we launched the second edition of this yearbook. We undertook these publications with the aim of giving readers insights into the Indian commodity market ecosystem. In May 2010 and June 2010, we launched our Zinc Mini futures and Lead Mini futures contracts, which offer trading in these metals in smaller lot sizes. In January 2011, we launched Iron Ore futures contracts, which are designed to be a benchmark for the Indian iron ore futures export market. Additionally, we launched Silver Micro and Aluminium Mini contracts in February 2011, Gold Petal contracts in April 2011, Gold Petal New Delhi contracts in November 2011, and Copper Mini and Nickel Mini contracts in December 2011, all of which offer trading in these metals in smaller lot sizes. In October 2011, we also launched Cotton (29mm) futures contracts.

Our Technology Infrastructure

Our technology infrastructure is the foundation of our business and a key factor in our development. Our online trading platform is accessible to our members through our trader workstation or computer-to-computer link ("CTCL") using multiple media of connectivity including VSATs, VPN, leased lines, and the internet. Our electronic platform is supported by our infrastructure and advanced technology, allowing faster trade execution, anonymity, price transparency, prompt and reliable order routing, trade reporting, market data dissemination and market surveillance. We believe we have deployed effective technology to minimise the various risks including member defaults. Our system tracks our members' margin utilizations and tracks mark-to-market ("MTM") losses online against their deposit available with our Exchange and automatically generates alerts and takes pre-decided actions.

Our electronic trading platform is supplied by our Promoter, FTIL, which is one of the leading technology companies in the development and deployment of exchange related software and technology in India. We believe that technology for the exchange industry is difficult to replicate, thus providing us with a competitive advantage. Further, we operate in an environment which requires constant technology upgrades or variations and support due to changes required by the regulatory regime and market forces. The technical expertise and experience of FTIL enable us to obtain speedy and efficient technology solutions, such as customisation and development of new software for new products and services.

Scalable Technology Platform and Business Model

We believe that our technology platform and business model are highly scalable and have the potential to generate better margins at greater volumes. We plan for and structure our business costs based on our historical and expected growth. Consequently, we have made significant investments in developing our fixed operating infrastructure, including our technology systems, to support our anticipated growth and increase in the demand for our products. We believe that our current technology infrastructure is sufficient to handle daily trading volumes of up to 10,000,000 trades a day, and have handled a high of 1,867,612 trades in a day. Increased trading activity on our Exchange would result in increased profitability. Further, we intend to increase the use of data generated from the commodity futures contracts traded on our Exchange to capitalise on the opportunities in market data products and information dissemination. We believe that our overall business model is highly scalable and that it offers potential for economic growth of our business with limited incremental costs.

Integrated Infrastructure and Network of Alliances

The operation of our business is supported by the exchange related support infrastructure that we have developed and our network of strategic alliances, which we believe enables us to grow our business and expand our market presence. This includes our Group Company, NBHC, which is a national warehousing and supply chain company that provides warehouse and collateral management services and implements quality systems for receipt, storage, fumigation, product classification, weight certification, as well as out-loading services for commodities. We believe this relationship provides us with synergies arising from the physical settlement of commodity futures contracts traded on our Exchange.

In addition, we have formed strategic alliances in India with a diverse range of business associations, such as the Dall & Besan Millers Association, the Solvent Extractors' Association, an industry association for pulses and the Bombay Metal Exchange. Among international alliances, we have formed strategic alliances with a number of exchanges such as the London Metal Exchange, the New York Mercantile Exchange, the LIFFE Administration and Management (under renewal), the Baltic Exchange Limited, Shanghai Futures Exchange and Taiwan Futures Exchange. These alliances facilitate the sharing of information across regional and global exchanges, enabling us to penetrate new markets, enhance our product offerings and increase our market presence.

Experienced Board of Directors and Management Team

Our board of directors and management team are experienced in the exchange industry and application of technology in this sector. Venkat Chary, our Non Executive Independent Chairman, was formerly the chairman of FMC. Jignesh P. Shah, our Non Executive Non Independent Vice Chairman and the promoter of FTIL, has more than a decade of experience in the securities exchange industry and has worked as a part of the BSE's automation team that designed and implemented BSE's online trading system known as "BOLT". Lambertus Rutten, our Managing Director and Chief Executive Officer, has sixteen years experience working for the United Nations Conference on Trade and Development and the World Bank, where he was responsible for programmes on commodity exchanges, risk management and finance. Joseph Massey, our Non Executive Non Independent Director, has been with us in an executive position for over six years, including as our Deputy Managing Director and Managing Director. He has rich and diversified experience of more than 20 years in the financial sector. Parveen Singhal, our deputy managing director (non-Board) worked for the Delhi Stock Exchange Limited, FMC and SEBI and has extensive experience in the banking, finance, insurance, securities and commodities sectors. We believe that the knowledge and experience of our management team and independent directors in the exchange industry enable us to respond to market opportunities, adapt to changes in the regulatory environment and bring innovations to our Exchange.

Growth Strategy

We believe that there are several global trends which are re-shaping the futures marketplace and driving volume growth in exchange traded commodity futures. Globalisation, deregulation, advances in technology and increasingly sophisticated market participants offer opportunities for expanding the Indian commodity futures markets. We intend to capitalise on these factors by implementing the following strategies:

Expand Market Presence and Increase Participants

As of December 31, 2011, we had 2,153 members nationwide with more than 296,000 terminals including CTCL spread over 1,572 cities and towns in India. We intend to continue to increase the number of our participants by introducing new products on our Exchange, by expanding to more geographical areas and by continuing our efforts to disseminate knowledge and information about the commodity futures industry. Along with our alliance partners, we plan to establish and grow our presence in additional regions across India.

Enhance Marketing, Educational and Awareness Efforts

We plan to expand our participation by initiating more interactions with brokers and other participants within the commodity futures industry. In addition, we intend to continue to use the print and electronic media to enhance knowledge and promote awareness on the commodity futures industry among participants in related industries. We believe that knowledge barriers created a largely untapped opportunity for the Indian commodity futures market among retail investors and participants in the local commodity exchanges, or *mandis*. As such, we aim to increase public awareness and understanding of the commodity futures industry to help build our membership and user base. As part of our ongoing efforts to promote participation in the commodity futures market in India, we intend to continue to offer training and certification programmes to educate existing and potential market participants on the benefits of trading in commodity futures and on career opportunities in the commodities industry. Such programmes are targeted primarily at potential participants located in rural India and students in the corporate and management sector. We have entered into an arrangement with FT Knowledge Management Company Limited ("FTKMC"), which specialises in securities and commodities market education, and provides professional training, consultancy and certification services in relation to the design and development of our educational programmes and awareness campaigns. Through our alliances with Gramin Suvidha Kendra partners, we aim to provide farmers with the expert advice and agricultural inputs, information on spot and futures prices for their produce and thereby spread awareness in rural areas. We also plan to increase the number of awareness programmes which we jointly organise with our industry regulator and other exchanges. We have further installed tickers for market data dissemination at the various local *mandis* to enable participants in those markets to track the prices of commodity futures traded on our Exchange. Our initiatives are partly supported by the Government and our industry regulator through a financial grant, which we utilise to expand the reach and depth of our programmes. Our efforts are aimed at developing a mature Indian commodity futures market, which may, in turn, contribute to our growth.

Introduce New Products and Services on our Exchange

Since our inception, we have introduced a variety of new commodity futures contracts on our exchange. The number of products we offer on our Exchange has grown from 15 as of March 31, 2004 to 49 as of December 31, 2011. We will continue to focus on offering futures trading in commodities which are significant in the Indian and global contexts. We will continue to offer trading in commodities through contracts that we will customise to meet the needs of the Indian markets, such as our Gold Mini and Gold Petal contracts, which are aimed at local retail investors. We plan to increase our product portfolio through our research and development efforts and through our alliances with other exchanges. We aim to offer more customised products and services to attract a broader base of participants. For example, we introduced EFP transactions, which are intended to attract participants from the physical commodities markets to take futures positions on our Exchange. We also intend to capitalise on changes proposed in regulations governing the Indian commodities derivatives industry permitting trading in options and intangibles, including indices. For example, we have already developed the software technology infrastructure and other in-house expertise to launch trading in commodities options when such trading is permitted, to reduce the lead time to the market. Similarly, if and when trading in commodity indices is permitted, investors will be able to trade in our composite commodity index, MCX-COMDEX and other indices that we have developed.

Continue to Pursue Strategic Initiatives to Open Up New Revenue Streams

We plan to supplement our organic growth by continuing to pursue strategic alliances and joint ventures. We will continue to look for opportunities to invest in companies or assets in related industries, primarily in India and the pan-Asian region, that we believe will enhance our growth, operations and profitability. We also intend to invest in businesses that would enable greater access to our markets or offer services that we currently do not offer. Our investment criteria include selecting investments of a strategic nature which are complementary to our existing operations, particularly those which we believe would help us expand our presence in the global commodity futures industry. In line with this strategy, we have promoted companies and entered into joint ventures with other businesses to diversify our operations. We have in the past entered into a joint venture with Dubai Multi Commodities Center to establish the Dubai Gold and Commodities Exchange DMCC ("DGCX"), a demutualised, fully electronic commodities and currencies exchange based in Dubai, which we saw as a strategic opportunity to expand our reach in the Middle East. In addition, we have formed strategic alliances with domestic associations and global exchanges with respect to sharing of content, know-how and commodity prices to enhance our know-how and to keep track of the constantly evolving global commodity markets and trends. We intend to continue to look for such strategic alliances and joint ventures to develop new markets, enhance our services and increase our market presence.

Generate New Revenue Sources from Existing Products

We intend to develop new revenue sources that are not transaction-driven. We believe that market data products and information offerings have the potential to become a source of revenue for us, as is the case for various leading exchanges in India and the rest of the world. Sophisticated quantitative approaches to risk management as well as customer time sensitivity has created new needs, uses and demands for trading related data and analytics. We have entered into agreements with financial information service agencies to provide real time data-feed on trading prices, trading volume and other information on the commodity futures contracts which are traded on our Exchange and on the spot market. We currently have such arrangements with Bloomberg Finance L.P., NewsWire 18 Private Limited, IQN Data Solutions Private Limited, Reuters India Private Limited, Interactive Data (Europe) Limited and TickerPlant Limited. We aim to further develop our market data offerings by integrating proprietary information generated by our Exchange into new market data products designed to meet the needs of a greater number of customers. We also intend to create new value-added services to complement our market data products, including databases, analytical tools and other services to assist end-users.

Products and Services

Products

As of December 31, 2011, we offered trading in futures contracts for 49 commodities from various classes including bullion, energy, ferrous and non-ferrous metals and agriculture. The following table contains certain information on the commodities that are traded on our Exchange as of December 31, 2011, for the past three fiscals:

Category	Commodity	Launch Date	Volume in Number of Contracts Traded (million contracts)				Value (₹ in billion)			
			Fiscal 2009	Fiscal 2010	Fiscal 2011	Nine Months Ended December 31, 2011	Fiscal 2009	Fiscal 2010	Fiscal 2011	Nine Months Ended December 31, 2011
Bullion	Gold	November 10, 2003	14.72	10.83	11.36	10.32	19,171.05	17,199.68	21,766.11	26,674.87
	Gold Mini	November 20, 2003	14.30	12.50	14.92	23.00	1,906.86	1,978.51	2,861.29	6,017.57
	Gold Guinea	May 8, 2008	3.04	3.50	4.22	8.34	32.00	43.89	65.05	177.69

Category	Commodity	Launch Date	Volume in Number of Contracts Traded (million contracts)				Value (₹ in billion)			
			Fiscal 2009	Fiscal 2010	Fiscal 2011	Nine Months Ended December 31, 2011	Fiscal 2009	Fiscal 2010	Fiscal 2011	Nine Months Ended December 31, 2011
	Gold Petal	April 18, 2011	–	–	–	31.09	–	–	–	85.35
	Gold Petal New Delhi	November 23, 2011	–	–	–	0.05	–	–	–	0.16
	Silver	November 10, 2003	10.84	12.17	19.01	18.39	6,770.75	9,245.96	22,026.77	32,026.36
	Silver Mini	February 17, 2004	14.57	17.16	25.04	38.50	1,500.83	2,171.11	4,869.53	11,139.35
	Silver Micro	February 18, 2011	–	–	1.95	44.92	–	–	103.87	2,576.99
	Platinum	June 20, 2008	0.00(1)	0.01	0.00(1)	0.00(1)	5.15	6.22	0.05	0.09
Energy	Crude Oil	February 9, 2005	28.38	36.82	46.31	42.66	9,710.26	12,190.46	17,640.68	18,992.74
	Aviation Turbine Fuel	July 7, 2008	0.01	0.00(1)	–	0.00(1)	5.26	0.00(1)	–	0.08
	Natural Gas	July 10, 2006	1.01	12.69	11.86	7.20	388.50	3,222.49	2,849.31	1,677.83
	Thermal Coal	August 7, 2009	–	0.00(1)	–	0.00(1)	–	0.06	–	0.01
	Heating Oil	January 27, 2009	0.02	0.03	0.00(1)	0.00(1)	5.22	10.38	0.13	0.01
	Gasoline	July 1, 2009	–	0.06	0.00(1)	0.00(1)	–	20.79	0.16	0.01
	Brent Crude Oil	June 20, 2005	0.00(1)	–	0.00(1)	0.00(1)	0.01	–	1.97	0.05
Metals	Copper	June 4, 2004	16.81	31.35	30.98	26.43	3,958.61	9,034.09	11,450.75	10,540.52
	Copper Mini	December 20, 2011	–	–	–	0.44	–	–	–	44.36
	Tin	December 27, 2004	0.00(1)	0.00(1)	0.00(1)	0.00(1)	1.18	1.33	0.18	0.01
	Nickel	June 3, 2004	2.38	13.08	17.42	11.47	404.61	2,752.77	4,645.78	2,875.44
	Nickel Mini	December 29, 2011				0.01				1.42
	Alumini	February 28, 2011	–	–	0.08	1.58	–	–	9.72	173.74
	Aluminium	October 26, 2005	0.10	0.94	1.91	1.16	50.58	441.85	983.80	641.88
	Zinc	March 27, 2006	2.80	5.46	7.78	3.81	1,023.96	2,601.72	3,894.58	1,910.45
	Zinc Mini	May 24, 2010	–	–	6.10	7.10	–	–	623.24	709.71
	Lead	March 27, 2006	1.62	4.66	6.01	3.37	612.15	2,293.26	3,064.15	1,850.17
	Lead Mini	June 1, 2010	–	–	3.87	5.30	–	–	414.20	577.53
Fibre	Cotton (Kapas)	January 22, 2004	0.01	0.11	0.13	0.11	1.01	13.53	24.48	16.72
	Cotton	October 3, 2011	–	–	–	0.05	–	–	–	20.26
Oils and Oilseeds	Crude Palm Oil	December 17, 2004	0.16	0.48	0.47	0.76	56.34	165.81	224.53	379.70
	Kapas Khalli	September 9, 2004	0.08	0.00(1)	0.00(1)	0.00(1)	4.08	0.13	0.00(1)	0.00(1)
	Refined Soy Oil	February 17, 2004	0.16	0.33	0.08	0.00(1)	78.86	156.07	42.36	1.84
	Soya bean	February 17, 2004	0.00(1)	0.04	0.00(1)	0.00(1	0.04	7.94	0.01	0.00(1
Pulses	Chana Dal	June 16, 2004	0.09	0.29	0.05	0.00(1)	20.43	68.03	11.84	0.03
Spices	Cardamom	February 14, 2006	0.06	0.13	0.77	0.86	18.65	25.04	108.82	65.34
	Coriander	July 28, 2008	0.02	0.00(1)	0.00(1)	0.00(1)	15.00	0.08	0.00(1)	0.22
Plantation	Rubber	December 31, 2003	0.00(1)	0.00(1)	0.00(1)	-	0.06	0.00(1)	0.00(1)	-
	Wheat	September 2, 2004	–	0.09	0.00(1)	0.00(1)	–	10.93	0.10	0.00(1)

Category	Commodity	Launch Date	Volume in Number of Contracts Traded (million contracts)				Value (₹ in billion)			
			Fiscal 2009	Fiscal 2010	Fiscal 2011	Nine Months Ended December 31, 2011	Fiscal 2009	Fiscal 2010	Fiscal 2011	Nine Months Ended December 31, 2011
Cereals	Maize	September 28, 2004	0.00[1]	0.01	0.01	0.00[1]	0.00[1]	0.56	1.52	0.00[1]
	Barley	January 15, 2010	−	0.01	0.05	0.00[1]	−	0.72	5.68	0.00[1]
Others	Guar seed	April 8, 2004	0.00[1]	0.27	0.01	0.00[1]	0.04	61.92	1.71	0.01
	Carbon credits (Carbon Financial Instruments)	January 21, 2008	0.00[1]	−	−	-	0.10	−	−	-
	Almond	May 12, 2009	−	0.07	0.00[1]	0.00[1]	−	11.17	0.27	0.04
	Mentha Oil	April 26, 2005	0.38	0.64	1.72	1.21	79.71	131.73	602.53	519.33
	Flakementha	January 18, 2010	−	0.00[1]	0.00[1]	0.00[1]	−	0.77	0.11	0.00[1]
	Potato (Agra)	March 9, 2006	0.03	0.16	0.59	0.27	5.96	34.73	99.82	42.02
	Potato (Tarkeshwar)	September 9, 2006	0.02	0.01	0.03[1]	0.08	3.36	2.03	5.53	10.06
	Sugar MKol	January 1, 2011	-	-	0.02	0.21	-	-	6.05	56.48
	Iron ore	January 29, 2011	-	-	0.00[1]	0.00[1]	-	-	2.11	0.45

(1) Trading volumes for these contracts have been rounded off to two decimal places and as such, are not reflected in the table.

Some of our commodity futures contracts are among the most actively traded in the world. For the six months ended June 30, 2011, six of our metal futures contracts ranked among the top 20 metal futures and options contracts worldwide by trading volume, among all the commodity exchanges considered in the FI magazine, November 2011 published by FIA ("FI magazine, November 2011"):

Commodity futures contracts	Rank
MCX Silver Mini Futures	7th
MCX Copper Futures	9th
MCX Silver Futures	10th
MCX Silver Micro Futures	11th
MCX Nickel Futures	15th
MCX Gold Mini Futures	16th

(Source: FI magazine, November 2011)

For the six months ended June 30, 2011, two of our energy futures contracts were ranked among the top 20 energy futures and options worldwide by trading volume, among all the commodity exchanges considered in the FI magazine, November 2011:

Commodity futures contracts	Rank
MCX Crude Oil Futures	6th
MCX Natural Gas Futures	15th

(Source: FI magazine, November 2011)

We introduce standardised commodity futures contracts on our exchange platform. These contracts in futures exchanges provide an anonymous trading environment for ideal price discovery. A standardised commodity futures contract indicates the specifications of trading the contract which the buyers and sellers will enter into. The contract specifies all the parameters of the trade, including the trading unit, quality and terms of trade. The standardised commodity futures contract also specifies all aspects of the physical trade, except the price and quantity, which are specified by the participants on the exchange platform.

In order to design such a uniform standardised contract, our research and planning department and our advisory committee members track the common practice of trading in the physical market. We replicate the most prevalent parameters and practices in our commodity futures contracts so that the participants are in agreement when entering into and exiting the contract. After obtaining all necessary internal approvals, we submit the proposed standardised commodity futures contract to FMC for its review and approval before launching it for trading on the Exchange.

The following table indicates the number of commodity futures traded on our Exchange as compared to the number of commodity futures (including commodity-based indices) traded on other top commodity exchanges globally between January 2011 and June 2011:

Commodity Futures Exchange	Country of Location	No. of Commodities Traded
Multi-Commodity Exchange of India Limited	India	41
Dalian Commodity Exchange (DCE)	China	9
ICE Group (includes U.S., U.K. and Canadian Markets)	United States, United Kingdom & Canada	19
Chicago Mercantile Exchange Group (includes CBOT and NYMEX)(1)	United States	74
Zhengzhou Commodity Exchange (ZCE)	China	7
London Metal Exchange (LME)	United Kingdom	16
Shanghai Futures Exchange (SHFE)	China	9
Tokyo Commodity Exchange (TOCOM)	Japan	15

Source: Websites of the respective exchanges

(1) *For Chicago Mercantile Exchange for commodity and all investment futures, over-the-counter ("OTC") products are ignored in the number of commodities. Real Estate and Weather futures are not considered.*

(2) *Excluding NYMEX Clearport products. On September 8, 2008, CBOT's precious metal complex was transferred to NYSE Liffe U.S.*

The following table presents information on the value of commodity futures contracts traded on our Exchange, calculated on a per-side basis, for the products traded on our Exchange during the periods indicated:

	Fiscal 2009		Fiscal 2010		Fiscal 2011		Nine Months Ended December 31, 2011	
	Value (₹ in billion)	%	Value (₹ in billion)	%	Value (₹ in billion)	%	Value (₹ in billion)	%
Gold	21,110.25	46.0	19,222.07	30.1	24,692.46	25.1	32,955.63	27.5
Silver	8,271.60	18.0	11,417.07	17.9	27,000.17	27.4	45,742.71	38.2
Crude Oil	9,710.27	21.2	12,190.46	19.1	17,642.65	17.9	18,992.79	15.9
Copper	3,958.61	8.6	9,034.09	14.1	11,450.75	11.6	10,584.88	8.8
Natural gas	388.50	0.9	3,222.49	5.0	2,849.31	2.9	1,677.83	1.4
Other Products	2,441.72	5.3	8,846.84	13.8	14,779.69	15.1	9,853.06	8.2
Total Value	**45,880.95**	**100.0**	**63,933.02**	**100.0**	**98,415.03**	**100.0**	**119,806.89**	**100.0**

Certain key features of futures contract offered in these commodities are set out below:

Gold

Gold is one of the most liquid precious metal futures in the world. Gold is primarily a monetary asset, with approximately two-thirds of the global accumulated gold holding kept as investment or "value" assets in the form of central bank reserves, private gold holdings and high-karat jewellery. We offer four gold futures contracts, namely Gold, Gold Mini, Gold Guinea, and Gold Petal.

We offer trading in futures of gold with purity of 995 in trading units of 1 kilogram under our Gold contract. Our Gold Mini contract which is, in essence, a "mini" version of our Gold contract, offers trading in futures of 995 gold in units of 100 grams. Our Gold Guinea contract offers the trading of eight-gram gold units, eight of which correspond to a Guinea coin of at least 999 purity and is targeted at retail investors. Our Gold Petal and Gold Petal New Delhi contracts offer trading in one-gram gold units of at least 999 purity, eight of which correspond to one Guinea coin. Our gold futures contracts also specify that the gold to be delivered under such contracts must be serially numbered gold bars (in the case of our Gold and Gold Mini contracts) and gold coins (in the case of our Gold Guinea and Gold Petal contracts) supplied by London Bullion Market Association ("LBMA") approved suppliers or other suppliers approved by us and delivered together with the supplier's quality certificate.

Silver

We offer trading in the futures of silver of at least 999 purity under three contracts, namely Silver, Silver Mini and Silver Micro. The Silver Mini and Silver Micro contracts offer trading of silver futures upon the same terms as our Silver contract, but in smaller trading units. The trading unit of our silver contract is 30 kilograms, while our Silver Mini contract offers silver trading in smaller units of five kilograms and Silver Micro contract offers silver trading in smaller units of one kilogram. Our silver futures contracts specify that the silver traded under such contracts must only be of a grade and fineness of at least 999 (in accordance with IS 2112: 1981). Silver required to be delivered must be serially numbered silver bars supplied by LBMA approved suppliers or other suppliers approved by us.

Crude Oil

Light sweet crude oil futures are traded on our Exchange in units of 100 barrels. The light sweet crude oil must conform to the following quality specification (defined at 60 degree Fahrenheit): (i) Sulphur: 0.42% by weight or less; and (ii) American Petroleum Institute ("API") Gravity: between 37 to 42 degree.

Copper

We offer Copper futures contract with trading units of one metric tonne ("MT"). The copper quality specification must be grade 1 electrolytic copper (in accordance with B115 specification). We also offer trading in Copper Mini futures contract with trading unit of 250 kilograms.

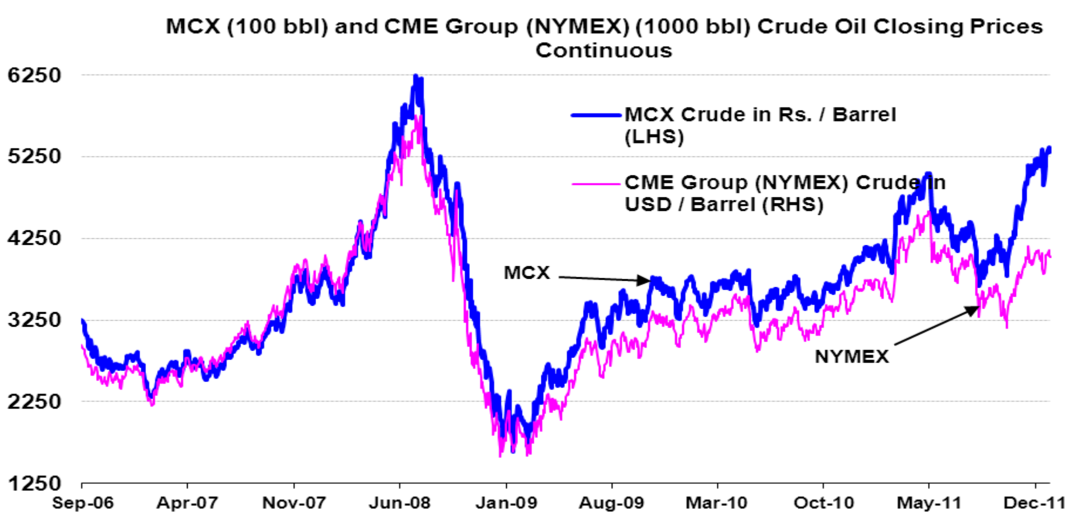
Natural Gas

Natural Gas futures contract is offered for trading in units of 1,250 million British Thermal Units ("mmBTU"), of standard pipeline quality.

Product Trading Data

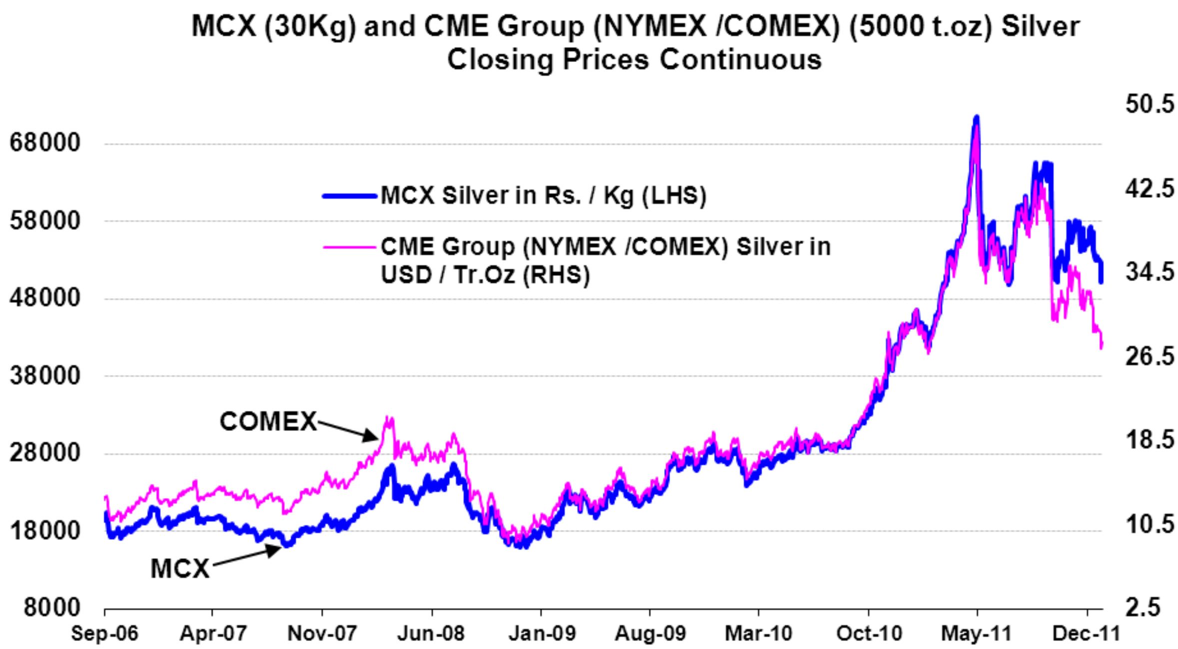
The following charts provide information regarding the price trends of crude oil, silver, gold and copper which are the top four commodities traded on our Exchange in terms of value of commodities traded for the nine months ended December 31, 2011, as compared to the price trends of these commodities traded on the Chicago Mercantile Exchange ("CME") Group (NYMEX/COMEX). These charts demonstrate the existence of a correlation between prices on our Exchange for global commodities such as crude oil, silver, copper and gold with those of global benchmark exchanges:

Crude oil



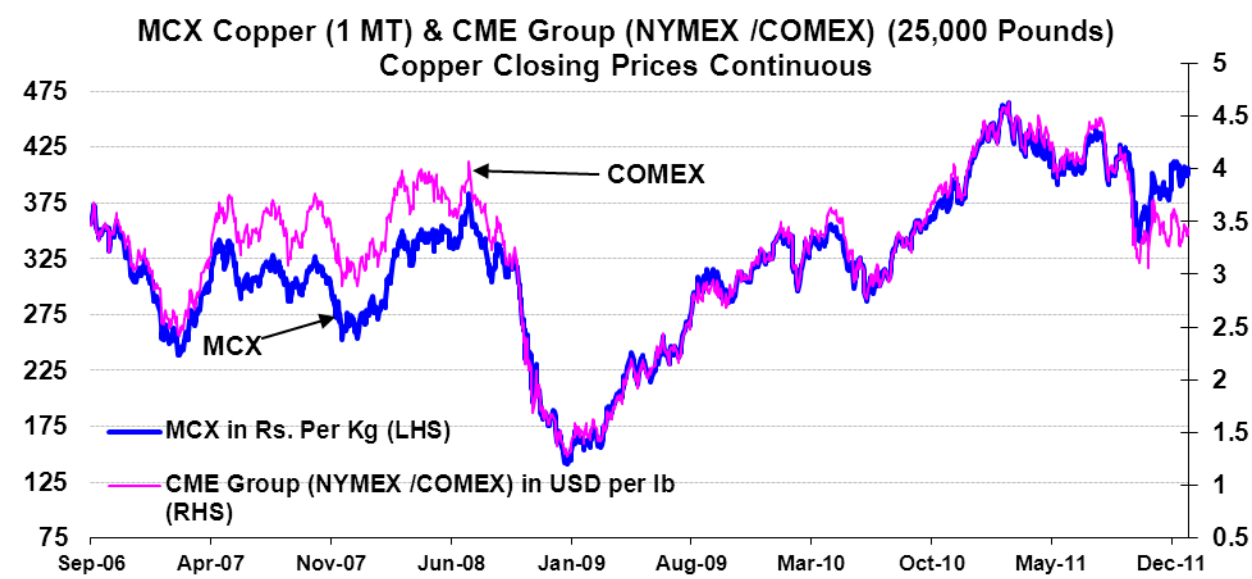
*Source: Metastock (*Metastock / The DownLoader / MCX/ 1 MONTH / CRUDE OIL– 1 Litre – 1MONTH)

Silver



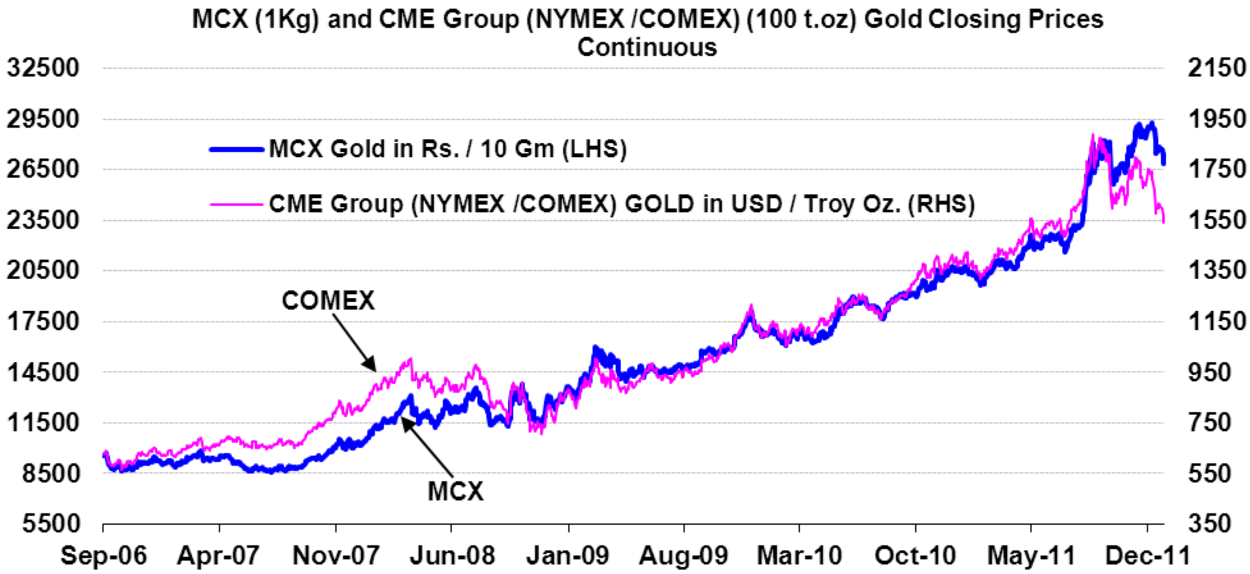
*Source: Metastock (*Metastock / The DownLoader / MCX/ 1 MONTH / SILVER– 1KG – 1MONTH)

Copper



Source: Metastock (Metastock / The DownLoader / MCX/ 1 MONTH / COPPER– 1KG – 1MONTH)

Gold



Source: (Metastock / The DownLoader / MCX/ 1 MONTH / GOLD 10GM – 1KG – 1MONTH).

Product Development

Since our inception, we have introduced a variety of new commodity futures contracts to our Exchange. The number of products we offer on our exchange has grown from 15 as of March 31, 2004 to 49 as of December 31, 2011. We generally focus on offering futures trading in commodities which are significant in the Indian and global context and are also traded on international exchanges. We were the first national commodity futures exchange in India to offer futures trading in steel, crude oil and almond.

Some of our other recent product offerings include trading in commodities such as Zinc Mini, Lead Mini, Aluminium Mini, Iron Ore, Silver Micro, Gold Petal, Cotton (29mm) Gold Petal New Delhi, Copper Mini and Nickel Mini.

Zinc Mini

Zinc is the fourth most widely used metal in the world after steel, aluminium and copper. *(Source: U.S. Department of Interior - U.S. Geological Survey – USGS Mineral Resources Program: "Zinc – The Key to Preventing Corrosion.)* The global benchmark zinc futures contracts have been highly liquid contracts. We offer two types of zinc futures contracts, namely Zinc and Zinc Mini. The Zinc Mini contract offers trading of zinc futures on the same terms as our Zinc contract, but in smaller units of one tonne. The trading unit of our Zinc contract is five tonnes. Only zinc ingots (including slabs and plates) of minimum 99.995% purity can be traded on our Exchange. Our Zinc futures contracts further specify that zinc offered for delivery must confirm to the 99.995% graded zinc chemical composition of the BS EN 1179:1996 Standard entitled "Zinc and Zinc Alloys – Zinc".

Lead Mini

The Lead Mini contract offers trading of lead futures on the same terms as our lead contract, but in smaller units of one tonne. The trading unit of our lead contract is five tonnes. Only lead ingots (including pig lead) of minimum 99.97% purity can be traded on our Exchange. The lead must confirm with graded lead chemical composition of BS EN 12659:1999 Standard entitled "Lead and Lead Alloys – Lead".

Aluminium Mini

We offer trading in two types of aluminium futures contracts, namely Aluminium and Aluminium Mini. The domestic aluminium industry is highly affected by global aluminium price volatility. The Aluminium Mini contract offers trading of aluminium futures on the same terms as our aluminium contract, but in smaller units of one tonne. The aluminium traded on our Exchange in trading units of five tonnes and can be in the form of ingots, T-bars or sows of 99.7% purity.

Iron Ore

Iron ore is one of the most important commodities in the world today. Iron ore is involved in the production of steel. We offer Iron Ore futures to meet the risk management needs of Indian iron ore market participants. The contract specifications indicate that the commodity is to be traded in units of 100 dry metric tonnes and price is to be quoted ex-Chennai, free on board. The quality specifications of the Iron Ore contract require a minimum of 62.0% Fe content fines as well as other specifications related to the size and content of the iron ore traded.

Silver Micro

We offer trading in Silver Micro futures with a trading unit of 1 kg to meet the risk management needs of Indian retail market participants. The contract specifications indicate that the commodity is to be quoted ex-Ahmedabad. Silver can be traded pursuant to the quality specifications of Grade: 999 and Fineness: 999 (as per IS 2112:1981).

Gold Petal

We offer trading in Gold Petal futures with a trading unit of 1 gram and delivery unit of 8 grams to meet the risk management needs of Indian retail market participants. The contract specification indicates that the commodity is to be quoted ex-Mumbai.

Cotton (29mm)

We offer trading in Cotton (29mm) futures with a trading unit of 25 bales and delivery unit of 100 bales to meet the risk management needs of Indian market participants. The contract specification indicates that the commodity is to be quoted ex-Rajkot.

Gold Petal New Delhi

We offer trading in Gold Petal New Delhi futures with a trading unit of 1 gram and delivery unit of 8 grams to meet the risk management needs of Indian retail market participants. The contract specification indicates that the commodity is to be quoted ex-New Delhi.

Copper Mini

The Copper Mini contract offers trading of copper futures on the same terms as our copper contract, but in smaller units of 250 kilograms. The trading unit of our Copper contract is one tonne.

Nickel Mini

The Nickel Mini contract offers trading of nickel futures on the same terms as our nickel contract, but in smaller units of 100 kilograms. The trading unit of our Nickel contract is 250 kilograms.

Exchange of Futures for Physicals ("EFP")

We launched our EFP facility in December 2009 after FMC approval to enable physical positions to be swapped or exchanged with futures positions, and *vice versa*. In an EFP transaction, two market participants can enter into an agreement for the simultaneous exchange of a futures contract for a physical commodity position. For example, one party buys a commodity in the physical market and sells a futures contract of the same commodity while the other party sells the commodity in the physical market and buys the futures contract in respect of the same commodity. An

EFP transaction may involve an agreement for the delivery of a commodity in the physical market whose grade or qualities, delivery location and timing is different from those specified in the futures contract of the same commodity. EFP thus allows the trading parties to freely choose their trading partners, delivery location and timing, grade or quality of the commodity to be delivered. Through EFP transactions, market participants can, among other benefits, separate the logistics of commodity trade from the pricing of commodities, allowing them to optimise the logistics and pricing processes independently.

EFP transactions are a standard feature in the international commodity futures market. Futures positions are also closed out through EFPs in addition to the standard delivery processes. As EFPs provide greater flexibilities and convenience than traditional delivery against futures contracts positions, we believe that they are able to attract producers, processors and traders to an exchange. We currently offer EFPs in gold, gold Mini, silver, silver Mini, copper, zinc, aluminium, nickel, lead, chickpea (*chana*), wheat and mentha oil. Through the introduction of EFPs, we seek to achieve greater integration of the commodity futures markets with the physical market, which will make commodity futures trading more useful to commodity value chain stakeholders.

Commodity Insights Yearbook 2009 and Commodity Insights Yearbook 2010

In collaboration with a third party, we prepared and published the Commodity Insights Yearbook first edition in October 2009 and the second edition in December 2010. These yearbooks contain compiled databases and articles written by representatives of various stakeholders in the commodity markets. We undertook these publications with the aim of giving readers insights into the commodity market ecosystem. We believe that the platform provided by these yearbooks for the deliberation and expression of views on issues and concerns will contribute to the development of a healthy domestic commodity market.

Commodities Indices

On June 7, 2005, we launched the MCXCOMDEX, which is the India's first composite commodity futures price index, along with three group indices. The MCXCOMDEX comprises commodities included in the three group indices, namely MCXAgri, MCXMetal and MCXEnergy. The commodities included in each index have been selected on the basis of their economic importance in terms of their physical market size in the Indian economy and the turnover for each of these commodities on our Exchange. The following shows the composition of each index:

- MCXAgri: MCXAgri comprises agricultural commodities such as, soy oil, mentha oil, chickpea (*chana*), crude palm oil and cotton seed meal (*kapasia khalli*).

- MCXMetal: MCXMetal comprises gold, silver copper, aluminium, nickel, zinc and lead.

- MCXEnergy: MCXEnergy presently comprises only crude oil and natural gas. Other energy commodities may be added as they are introduced on our Exchange.

Our commodity indices provide our members with information regarding market movements in the prices of futures contracts of the commodities included in each index. In addition, we believe that when trading in commodities indices is permitted by the Government of India, these indices may give investors the ability to hedge against inflation through the price movements of a basket of commodities.

In addition, we have also launched three rain indices, RAINDEXMUM (Mumbai), and RAINDEXIDR (Indore), RAINDEXJAI (Jaipur), which track the progress of monsoon rains in their respective geographic locations.

Strategic Alliances

As part of our continuing efforts to introduce new products on our Exchange and strengthen our product offerings, we have formed strategic alliances and joint ventures with domestic institutions and leading international associations and exchanges. We have also entered into various memoranda of understanding ("MoUs") and agreements with organisations such as the Department of Economics (Autonomous), University of Mumbai; FT Knowledge Management Company Limited, Symbiosis Institute of International Business and Takshashila Academia of Economic Research Limited, to jointly conduct industry focused management development programmes and consultancy and also to educate existing and potential market participants.

Strategic Investments

Dubai Gold and Commodities Exchange DMCC ("DGCX")

On November 9, 2004, we signed a memorandum of understanding with Financial Technologies (India) Limited and the Dubai Metals and Commodities Centre (now known as Dubai Multi Commodity Centre) to establish, as a joint venture, the DGCX. DGCX commenced operations with gold futures trading in November 2005. Towards the end of the fiscal 2006, DGCX introduced silver futures and commenced currency futures trading in June 2006. DGCX trades U.S. dollar denominated standardised futures contracts in a number of commodities including gold, silver, marine fuel oil and currency derivatives. DGCX plans to introduce futures contracts in plastic. We currently hold 5.0% of the equity share capital of DGCX and the book value of this investment was ₹ 21.85 million as of December 31, 2011.

Strategic Alliances and Memorandum of Understanding – Domestic

National Bulk Handling Corporation Limited

NBHC is an end-to-end solutions provider in warehousing and bulk handling, collateral management, grading and quality certification, commodity care and pest management, audit and accreditation and commodity valuation, procurement and disposal of commodities. NBHC is one of our Promoter Group companies, with FTIL holding 92.68% of the equity interest in NBHC, as of March 31, 2011. NBHC manages a network of storage facilities including warehouses and cold storages on a lease and franchisee model across India. NBHC also issues storage receipts that its customers could use as collateral to obtain funding.

Under an agreement dated February 6, 2009, NBHC agreed to provide warehousing and space to us for the purpose of storage of various agricultural commodities and related infrastructure at such locations as required by our Exchange to facilitate deliveries at those locations in accordance with the commodity futures contracts traded. This agreement provides for the payment of variable service charges in respect of each warehouse and a fixed operational cost. NBHC has also agreed to share with us a certain portion of the revenues it derives under this agreement.

FT Knowledge Management Company Limited

FTKMC was promoted by FTIL and is engaged in the provision of solutions and strategies in knowledge management for the financial services industry, including training, research and consultancy in the commodity markets. It also undertakes the dissemination of knowledge on the commodity and financial markets. On February 5, 2008, we entered into an agreement with FTKMC valid for a period of five years under which we transferred to FTKMC our business of providing training and education on the commodity markets, namely, our training, consultancy and certification related programmes to FTKMC. FTKMC also agreed to promote awareness on our Exchange and the commodity futures contracts traded on its platform and help produce a large number of professionals trained in the commodity futures industry that we hope would contribute to our growth. For further details, please see "History and Certain Corporate Matters – Agreements with our Promoter/ Promoter Group" on page 172.

Alliances with Indian Commodity Associations

We have formed alliances with a number of Indian commodity associations in India. We have also entered into memoranda of understanding with organisations such as Dall & Besan Millers Association and an industry association for pulses to tap their expertise on pulses; and the Bombay Metal Exchange to leverage their membership base to develop a vibrant futures market. In addition we have an arrangement with the Solvent Extractors' Association of India to use its publication and cooperate in seminars to increase awareness of the commodity futures market.

Partnerships for price information dissemination

We have entered into agreements for the dissemination of price information through partnerships with various organisations such as Weather Risk Management Services Private Limited and Ekgaon Technologies.

Strategic Alliances and Memorandum of Understanding − International

New York Mercantile Exchange ("NYMEX")

On June 7, 2011, we renewed our license agreement for three years with NYMEX for the use of NYMEX prices as benchmarks for settling commodity futures contracts on our Exchange in Indian Rupees. This agreement also provides for cooperation in the promotion of trading in NYMEX-based products in India and conducting of joint meetings designed to establish business relationships between our and NYMEX's brokers.

London Metal Exchange ("LME")

On October 25, 2005 we signed a license agreement with LME to launch futures contracts in non-ferrous metals on our Exchange using the LME's official prices as benchmarks for settling the commodity futures contracts on our Exchange in Indian rupees.

LIFFE Administration and Management

On July 24, 2006, we signed a licensing agreement in relation to the use of certain intellectual property in NYSE Liffe's Robusta Coffee and White Sugar futures contracts for the purpose of settling contracts on our Exchange. This agreement continues to be operational with NYSE-Liffe and is in the process of renewal.

Shanghai Futures Exchange ("SHFE")

On June 7, 2010, we signed a memorandum of understanding with SHFE to share knowledge and expertise for the further development of both the exchanges and to promote development of the commodities market within India and China. The parties also aim to cooperate ensure that the advantages of an efficient futures market is made available to all spectrum of users within the respective countries.

The Baltic Exchange Limited ("BEL")

On February 25, 2008, we signed an agreement with BEL for the supply of Baltic Exchange data, under which BEL has agreed to provide market price indices on freight derivatives market and route rate reports to us. BEL has subsequently informed us that the freight market information business has been transferred to a new company, Baltic Exchange Information Services Limited, with effect from January 1, 2009.

Taiwan Futures Exchange ("TAIFEX")

On November 9, 2010 we signed a memorandum of understanding with TAIFEX with an aim to develop commodity derivatives markets in India and Taiwan by sharing information and best practices on product development, business and marketing initiatives, technology and other areas of mutual interest. We believe that our memorandum of understanding with TAIFEX will help us further integrate our Exchange with the global commodities market.

Other Entities

MCX Stock Exchange Limited ("MCX-SX")

MCX-SX was promoted by us and our Promoter, FTIL in 2008. However, currently, FTIL does not hold a controlling shareholding in MCX-SX. MCX-SX is a stock exchange recognised by SEBI. It currently has approval for currency futures trading. It commenced trading for currency futures on October 6, 2008 with the trading of U.S. Dollar/Indian Rupee futures and subsequently introduced three other currency pairs permitted by regulators. We have reduced our shareholding to 5.0% in MCX-SX pursuant to the Scheme. For further details, see the sections titled "Other Companies" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Restructuring of Shareholding in MCX-SX" on pages 241 and 387, respectively.

MCX-SX Clearing Corporation Limited ("MCX-SX CCL")

Clearing and settlement functions of MCX-SX are performed by MCX-SX Clearing Corporation Limited ("MCX-SX CCL"). MCX-SX CCL was established to undertake clearing and settlement of trades in multi-asset securities. MCX-SX CCL is the second clearing corporation in India handling clearing and settlement of trades done on stock exchanges pursuant to permission granted by SEBI. MCX-SX CCL has a risk management system which uses SPAN™ margining system and various other online and offline risk management tools. MCX-SX CCL was given LAAA (SO) credit quality rating by ICRA. As of December 31, 2011, our Company had a direct stake of 26.0% in MCX-SX CCL.

Our Subsidiaries

Multi Commodity Exchange Clearing Corporation Limited ("MCX CCL")

MCX CCL is our 100.0% subsidiary which we established as a separate clearing house to undertake clearing and settlement of trades and the provision of counterparty risk guarantee on our Exchange. MCX CCL has not commenced operations as it is awaiting the approval of FMC.

SME Exchange of India Limited ("SME")

SME was incorporated as a subsidiary of our Company on September 14, 2010. SME intends to operate as a stock exchange to enable its members to transact, clear and settle trades in the small and medium enterprises equity and derivative segments. Our Company has undertaken to subscribe to 51% of the shareholding in SME and received approval from FMC for an initial investment of ₹ 510,000.

Legal and Regulatory Framework

We are regulated under the Forward Contracts (Regulation) Act, 1952 ("FCRA") and the Forward Contracts (Regulation) Rules, 1954 ("FCRR") formulated thereunder. For further details "Regulations and Policies" for the regulatory framework governing our Exchange. In addition, we have formulated rules, bye-laws and business rules in accordance with FCRA, to regulate various matters in relation to the functioning and activities of our Exchange and the participants on our Exchange, including the members of our Exchange, their authorised representatives and clearing house. Our Exchange rules govern primarily matters relating to the administration of the Exchange and membership. Our bye-laws deal with, among other matters, trading and delivery under our commodity futures contracts, including method of trading, clearing, settlement and other related operational matters. Our business rules regulate the conduct of our participants

Membership

Our members are classified into four general categories:

- Trading members ("TM") are persons who have been admitted as such, and have rights to trade on their own account as well as on account of their clients. However, TMs have no right to clear and settle such trades. All TMs must be affiliated with any one of the institutional trading-cum-clearing member or professional clearing members having clearing rights on our Exchange.

- Trading-cum-clearing members ("TCM") are entitled to trade on their own account as well as on account of their clients. TCMs can also clear and settle these trades themselves. TCMs are divided into two sub-categories: non-deposit based members and deposit-based members.

- Institutional trading cum clearing members ("ITCM") are entitled to trade on their own account as well as on account of their clients, clear and settle trades executed by themselves as well as of trading members and trading cum clearing members of our Exchange.

- Professional Clearing Members (“PCM”) are entitled only to clear and settle trades executed by trading-cum-clearing members or trading members of our Exchange.

Our membership fee structure as of December 31, 2011 is as detailed below:

	Trading Member	**Non-Deposit Based TCM**	**Deposit-Based TCM**	**Institutional Trading cum Clearing Member (“ITCM”)**	**Professional Clearing Member (“PCM”)**
Eligible Entities	Individuals (including sole proprietorships), registered partnership firms, corporate bodies and Hindu Undivided Families (“HUFs”).	Sole proprietors, partnership firms, HUFs, companies, co-operative societies, public sector organisations, statutory organisations or any other Government or non-Government entities	Sole proprietors, partnership firms, HUFs, companies, co-operative societies, public sector organisations, statutory organisations or any other Government or non-Government entities	Companies, institutions	Companies, institutions
Admission Fee	₹ 750,000	₹ 2,500,000	₹ 1,000,000	₹ 2,500,000	₹ 1,000,000
Security Deposit(1)	PCMs and ITCMs shall suitably collect deposits from Trading Members	₹ 3,000,000	₹ 6,500,000	₹ 10,000,000	₹ 10,000,000
Annual Subscription	₹ 10,000	₹ 75,000	₹ 75,000	₹ 100,000	₹ 100,000
Processing Fees	₹ 10,000	₹ 10,000	₹ 10,000	₹ 10,000	₹ 10,000
VSAT Deposit	₹ 165,000	₹ 165,000	₹ 165,000	₹ 165,000	₹ 165,000
Minimum Monthly Terminal Fee	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Minimum Net Worth	Corporate: ₹ 2,500,000 Non-Corporate: ₹ 1,000,000	₹ 7,500,000	₹ 7,500,000	₹ 10,000,000	₹ 50,000,000
Authorised Activities	Have rights to trade on their own account as well as on account of their clients	Entitled to trade on their own account as well as on account of their clients, and clear and settle these trades themselves	Entitled to trade on their own account as well as on account of their clients, and clear and settle these trades themselves	Entitled to trade on their own account as well as on account of their clients, clear and settle trades executed by themselves as well as TMs and TCMs of the Exchange	Entitled to only clear and settle trades executed by TMs and TCMs of the Exchange
Transferability of Membership / Refund	Membership transferable after three years	Membership transferable after three years	Deposit refundable after three years	Deposit refundable after three years	Deposit refundable after three years

(1) The security deposit is interest free and a minimum 50.0% of it can be given in the form of cash and the balance 50.0% can be given in the form of cash or bank guarantee or fixed deposit with the approved banks.

As of December 31, 2011, we had 2,153 members, of which 1,686 were non-deposit based TCMs, 77 were deposit-based TCMs, 27 were ITCMs, 359 were TMs and four were PCMs.

Market Data and Information Services

Our markets generate valuable information regarding prices and trading activity in our products that we believe enhances the appeal of our products. We believe that the dissemination of real-time data supports our customer base with timely market information and is a potential source of revenue. We sell market data, which includes information about bids, offers, trades and trade size in our products, to market participants or to information vendors who consolidate market data with that from other exchanges, other third party data providers and news services, who resell the consolidated data.

We have entered into agreements with several financial information service agencies including Bloomberg Finance L.P., NewsWire 18 Private Limited, IQN Data Solutions Private Limited, Reuters India Private Limited, Interactive Data (Europe) Limited, TickerPlant Limited and others to provide market participants with prices, trading activity and real-time market information on the commodities being traded on our Exchange. We make available price information to these agencies and these agencies use such information for providing terminal services and other informational products. We collect annual subscription fees in respect of the data and information we sell.

Technology Framework

We operate a nationwide fully automated online exchange for commodities futures trading. Our exchange technology framework is supplied by FTIL, our Promoter. We have entered into long-term technology supply agreements with FTIL for the development and licensing of our core business software and related technical services. We entered into two long-term software development agreements with FTIL in February 2003 and December 2003 under which FTIL has agreed to develop and grant us long term licences in respect of customised software for our integrated online trading, clearing and settlement system and other related services. We have also entered into long term software development agreements with FTIL between the fiscals 2005 and 2008 for the licensing of software for, among other things, risk management system and standard portfolio risk analysis, data warehousing applications, trading by financial institutions and foreign institutional investors on our trading platform and other functionalities and features. FTIL has also agreed to provide us with technical support and maintenance services under several technical services and services agreements. The relationship we have with FTIL ensures that we are able to obtain speedy and efficient technology solutions, such as customisation and development of new software for new products and services, thereby reducing the lead time to the market, ahead of our competitors. On September 27, 2007, we also entered into a managed services agreement with FTIL for the provision of information technology services for our business operations which include, among other things, our systems and applications; trading and clearing operations; networking; security and office systems management. Our managed services agreement had an initial term of one year and is renewed on an annual basis.

For more details on these agreements, see “History and Certain Corporate Matters — Agreements with our Promoter” on page 172.

Core Exchange Platform

Our core exchange platform consists of the following:

- central matching engine;
- central broadcast engine;
- clearing and settlement system;
- centralised surveillance system;
- order management system;
- market operation system;
- information dissemination system for members;

- feed system for information vendors;
- CTCL gateway system;
- FIX gateway system;
- data warehousing;
- index calculation system; and
- eXchange and ExchangeDirect.

Our central matching engine is hosted on a fully fault tolerant Stratus ftServer, which has "continuous processing" features and delivers continuous availability time of 99.999%. Other components of our exchange framework are hosted on high-end Intel servers with various redundancy features, which adds resilience to our software and hardware. The databases for our trading system, as well as for our clearing and settlement systems, are stored in a fibre channel-based storage area network with redundancy features.

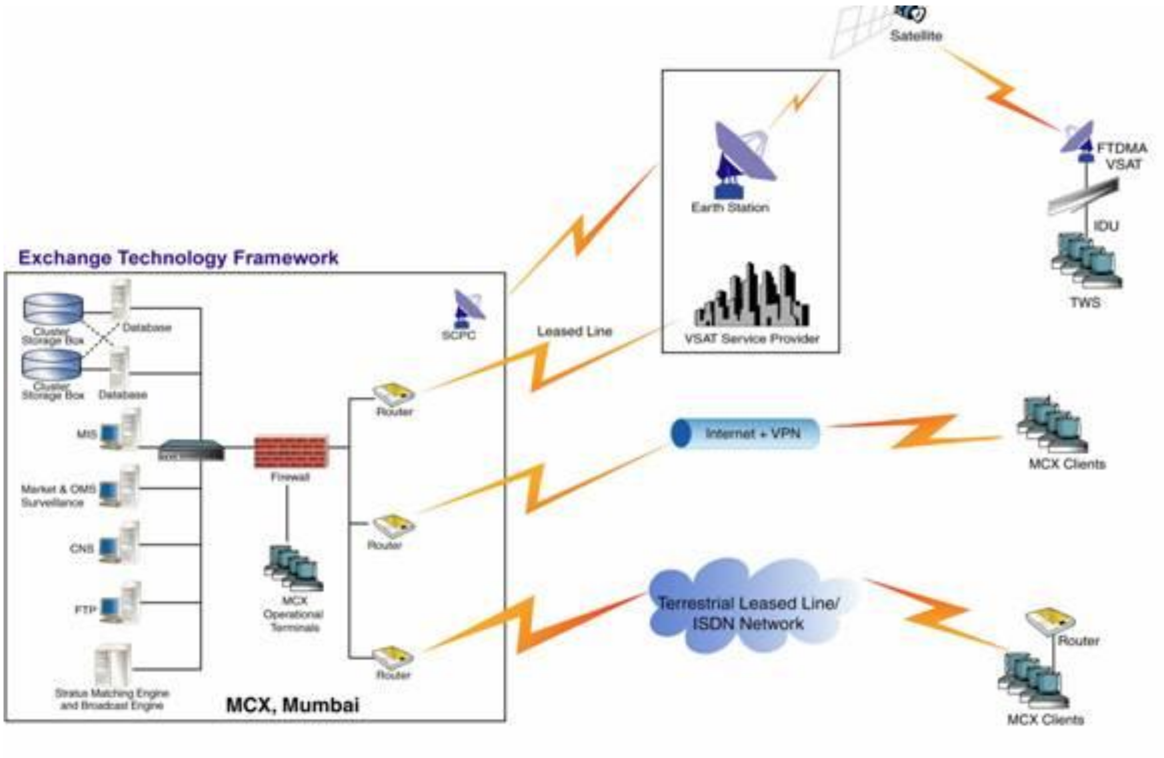
Our core trading platform and clearing and settlement systems are protected by redundant firewalls in a load-balancing and high-availability mode. Additional security measures in the form of an intrusion detection and prevention system ("IDS") is also implemented to protect our trading platform.

Connectivity

Since our inception, we have worked continuously to provide reliable and cost efficient modes of connectivity to our members. At present, our members can access our online trading platform through various means of secured connectivity, including:

- VSAT: We have entered into an agreement with HCL Comnet, to provide VSAT-based connectivity to members through HCL's central hub in Noida;
- Point-to-point leased lines: Point-to-point data circuits of variable bandwidth from 128Kbps to 2Mbps from multiple service providers, leased by our members and used to connect to our Exchange;
- Multi protocol label switching virtual private networks ("MPLS VPN") leased lines: MPLS VPN data circuits of variable bandwidth from 64Kbps to 2Mbps are leased by our members from BSNL and used to connect to our Exchange; and
- Internet: Members can also use the internet to connect to the electronic trading platform of our Exchange through a secured SSLVPN.

The following chart illustrates the framework for our Exchange's technology:



Technology plays an important role in our success and we are committed to the continuous improvement and maintenance of the technology used for our electronic trading platform. We believe that a well-designed system along with a structured technology road map will ensure reliability, scalability and functionality of our trading system.

To accommodate ever-increasing business demands and transactional loads, we consistently monitor our technology infrastructure to keep pace with advanced technology. We plan for upgrades to our system when our resource utilisation reaches 50.0% of our capacity. This enables capacity enhancement as well as upgrade of our technology system to take advantage of advancing technology features, including, among other things, increased processing capacities and enhanced security features. At present, our exchange can handle up to 10,000,000 trades per day. On September 23, 2011, our system had handled a daily high of 1,867,612.

Trade Verification Facility

Trade verification facility is made available on the website of our Exchange through which the participants and their clients can confirm the details of their trades. By using our trade verification facility, our clients are able to access information on the status of their trades which have been executed at our Exchange.

This facility is available to market participants to know the details of their trades for last five working days.

Clearing, Settlement and Delivery

We have an in-house clearing house which manages the daily MTM settlements as well as final settlement of all commodity futures contracts traded on our Exchange, including funds settlement and the physical delivery of commodities. As of December 31, 2011, we have approved 16 clearing banks to support electronic funds transfers for settlement purposes and 43 exchange designated warehouses across approximately 23 locations to support the physical delivery of commodities.

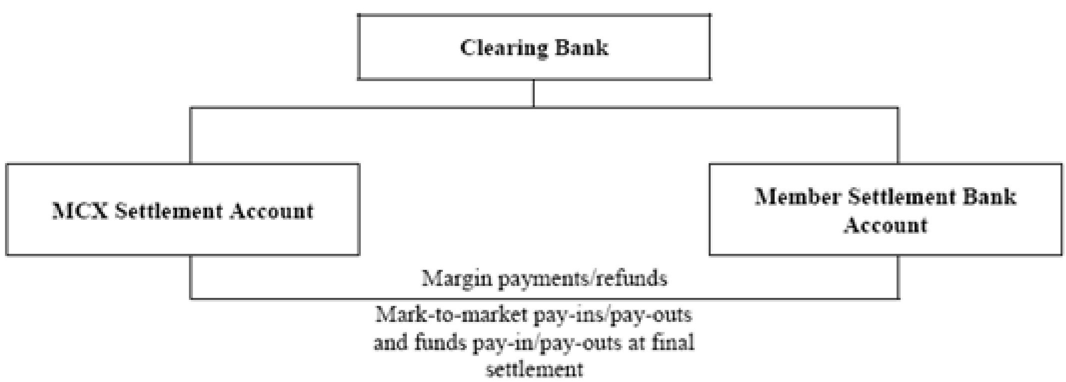
Clearing and Settlement of Financial Obligations

We have appointed certain clearing banks for fund transfers for settlement purposes. Each member is required to maintain a settlement account and a client account with one of these clearing banks. The accounts are used for the purpose of settling trades executed on our Exchange. The settlement account is used for the transfer of funds to our Exchange's settlement account for the pay-in purpose or to transfer the same to client account for the pay-out received from our Exchange. The funds received from the client are to be credited to the client account. Our Exchange only credits or debits a member's settlement account based on that member's net settlement obligation. The settlement accounts are used for the purpose of increasing or decreasing of the margin deposits in cash by the member with our Exchange.

At the end of each trading day, our system generates reports containing the details of each member's obligation based on the transactions done by the member, including the position carried forward from the previous day, the closing position of the day and the net obligation of the member. This report is available for download at the end of the day. The system also generates pay-in and pay-out reports and statement for members based on their respective clearing banks in respect of debit or credit of settlement accounts which is sent electronically to the appropriate clearing bank for effecting debits and credits the following morning before the market opens. Upon receipt of the report, the clearing bank would either debit or credit the member's settlement account maintained with the bank based on the member's net settlement obligation. The clearing banks are instructed to inform our Exchange of any shortage of funds in members' settlement accounts.

In case a member fails to make payment towards his daily obligations on a "T+1" basis, the shortfall amount is deducted from the available deposit that the members have placed with the Exchange, which in turn reduces the member's margin deposits for further exposure on the Exchange platform.

If the member's margin deposit falls below the initial margin, which is the required margin deposit to be maintained at any given point of time, the member is suspended from trading on our Exchange until the member deposits additional funds to maintain his initial margin deposits.



Business Continuity Plan

We continue to strengthen and upgrade our disaster recovery facilities and capabilities. Our disaster recovery site is located in Navi Mumbai. As part of our business continuity plan, we have set up the necessary facilities to perform all our critical operations from our disaster recovery site. Our Exchange undertakes periodic mock trading and other related activities from our disaster recovery site to ensure proper end-to-end functioning of our systems and network.

Physical Delivery

In case of settlement of physical delivery of commodities, we coordinate with sellers, buyers, warehouses accredited by us, our delivery facilitators and quality certifying agencies (assayers) to ensure that the quality and quantity specified in a contract for the commodity is delivered on a timely basis to the buyer and the seller's settlement account is appropriately credited with the sales proceeds upon delivery as mentioned in the contract.

Physical delivery of the underlying commodity can be specified in a commodity futures contract in one of the three ways:

- *Seller's option*: Physical delivery of the underlying commodity is effected if the seller, having short open positions, indicates an intention to deliver the goods within permitted periods. If the seller does not wish to deliver the goods, then all open positions for the commodity on the expiry date of the contract are "closed out" at the price which is calculated by way of taking the spot market price of the commodity of the last day or the average spot market prices of the commodity over the three or five days immediately preceding the contract expiry date, depending on the contract specifications (the "Due Date Rate") without penalty.

- *Compulsory delivery*: For a commodity futures contract which has a compulsory delivery option, a seller having an open position on the expiry date of the contract must deliver the underlying commodity at least by the working day after the stipulated expiry date. Penalties are imposed for non-delivery of the commodity at such rates as are indicated in the contract specification. Similarly, buyers should compulsorily take delivery of such commodities, failing which they will be charged a penalty for such default as indicated in the futures contracts.

- *Both buyer's and seller's option*: Physical delivery of the underlying commodity will only be made when both the buyer and seller consent to take and give delivery. Any remaining unmatched quantity of underlying goods and any open positions for which delivery intentions were not made will be closed out at the Due Date Rate without the imposition of any penalty.

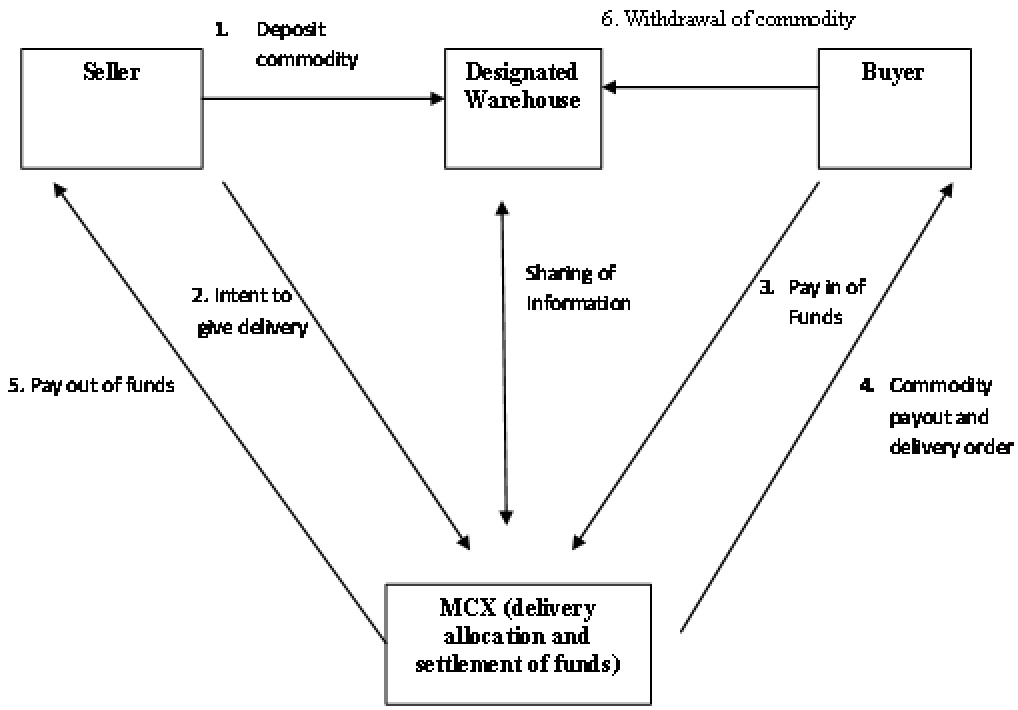
When a commodity futures contract enters into a delivery period towards the end of its life cycle, which is typically the last five days before the expiration of the contract, a tender period margin is imposed. Such margin is imposed on members having open positions during the tender period specified in the contract, and remains until the earlier of the settlement of a delivery obligation or the contract expiry, whichever is earlier. When the open positions are marked for delivery, delivery period margins as specified in the commodity futures contracts are levied. The delivery period margin is calculated according to a rate which varies according to the type of commodity. When a seller submits delivery documents along with an assayer's quality certificate, the tender or delivery period margin to such extent is reduced.

The matching of positions for the physical delivery of the underlying commodities is done according to contract specifications. After completion of the matching process, clearing members are informed of the deliverable or receivable positions and the unmatched positions for commodity futures contracts for which delivery is optional. Unmatched positions are settled in cash at the Due Date Rate. Cash settlement of the commodity futures contract is made on the day after the contract expiry date. Delivery of the underlying commodities must take place at the location specified in the contract and through exchange accredited warehouses or vaults.

A seller intending to make delivery of the commodities must deposit the goods at a warehouse which has been accredited by our Exchange. At the warehouse, a sample of the commodities deposited is collected and sent to an assayer appointed by our Exchange who inspects the commodities to determine whether they meet the contract specifications. The assayer then issues a certificate indicating whether the delivery is acceptable. The seller must provide the warehouse receipt and the assayer's certificate indicating acceptable delivery to our Exchange during the tender delivery period specified in the contract.

If a seller intends to give delivery in that case he may inform our Exchange of his intention to effect delivery, along with appropriate evidence of possession of goods, such as warehouse receipts. A buyer will have to deposit adequate funds in his settlement account to pay for the goods to be delivered. Our Exchange will debit this amount on the pay-in day and will transfer funds to the seller's settlement account. When the buyer receives the warehouse receipt, he can take delivery of the goods from the designated warehouse after surrendering the warehouse receipt.

The following chart illustrates the delivery process:



Research and Planning

We have a research and planning team dedicated to identifying and introducing new products on our Exchange. Our product development process involves conducting primary and secondary research on potential new products, which includes conducting testing with our market participants and making comparisons to similar products traded on global markets. We submit our completed product reports and proposed commodity futures contracts to FMC for approval. Once we have received FMC approval, we conduct seminars and publicise the introduction of a new product on our Exchange before launching the new contract on our Exchange.

Our research department also monitors the performance of existing commodity futures contracts traded on our Exchange and regularly communicates with market participants to ensure that any required changes are made to make our commodity futures contracts more efficient. In addition, our research team monitors the physical markets, as well as futures markets, in India and abroad to evaluate the performance of our products. Our research and planning team also works with our product advisory committee and our other departments to share and obtain feedback and other information on our products.

Business Development and Marketing

Our business development and marketing department focuses primarily on educating market participants about the commodity futures industry. We conduct frequent presentations and awareness sessions at the local government-regulated agriculture produce markets (or *mandis*) for members, franchisee networks and clients. Interactions start at the grassroots level from farmers, traders, exporters, importers and manufacturers to explain the mechanisms for trading in commodity futures contracts and its benefits from a price discovery and price risk management perspective. In addition, once a new product is launched on our Exchange, the key task for our business development team is to create awareness about the new product.

Our business development team members are located in various cities across India and our corporate office in Mumbai coordinates and supports our national business development and marketing efforts.

Market Safeguards and Risk Management

We adopt the market safeguards and risk management techniques described below to ensure that our members meet their financial obligations promptly to protect the marketplace from undesirable events.

Minimum Net Worth Requirements. As a prerequisite for membership on our Exchange, we require all members to have a certain minimum net worth. Members are required to confirm their net worth on an annual basis, which enables us to monitor and ensure the financial strength of our members.

Margin Requirements. We impose margins to mitigate the risk associated with the daily price movements in commodities. We require all members to pay a security deposit at the time of registration, which serves as an initial margin. If members desire to hold larger open position amounts, they are required to deposit additional amounts to serve as margins to support their aggregate open position, computed on a real-time basis. Like many clearing houses and exchanges around the world, we charge margin based on the Standard Portfolio Analysis of Risk, or SPAN™ margining system, subject to a minimum percentage as specified by the FMC in the contract specifications. The initial margin is computed using SPAN™, which is portfolio based margining system we use under licence from CME, to identify overall risk in a portfolio of contracts for each client of a member. The prime objective of SPAN™ is to determine the largest loss that a portfolio might reasonably be expected to suffer on a day-to-day basis. Our system generates risk parameter files based on the parameters for computation of SPAN™ and is generally updated eight times in a day during normal trading hours.

Daily Morning Pay-In and Pay-Out. We compute the MTM profit and loss for each of our members on a daily basis. Effects of the pay-in and pay-out are given on a "T+1" basis. Debit and credit instructions are sent to the member's settlement accounts with the clearing banks for the MTM pay-in and pay-out obligations

MTM Loss Monitoring. Our trading system tracks losses incurred by our members on a real-time basis after each and every trade on our Exchange by comparing the difference between the contracted price and the last trade price on the market. We transmit alerts to a member whenever that member's MTM loss amounts exceed certain percentages of the MTM limit. When the loss amount exceeds the limit granted, the relevant member is put in "square-off" mode, until such time his loss is within the limit. While the member is in square off mode, that member is prohibited from taking any new positions until his MTM loss is reduced below the limit or if the member brings in more deposit.

Maximum Allowable Open Positions. To manage the liquidity risk and ensure that any member or client is not able to hold a large, concentrated position in a commodity, the position limits are as approved by FMC. In the event a member exceeds maximum open position limit, he is required to reduce his open holding positions to within the approved limit. If the member fails to reduce his open position limits, he is subject to penalty for such non-compliance.

Circuit Filter Limitations / Daily Price Range ("DPR"). In order to safeguard against fluctuations in prices due to market volatility, we enforce the daily circuit filter limit or DPR for each commodity futures contract as approved or directed by FMC which specifies the price range within which a contract can be traded during the day. These measures are intended to mitigate the risks associated with sudden rises and falls in the prices of individual commodities. Depending upon the volatility, we may also impose special and additional margins as a risk management measure.

DPR Relaxation. Every commodity futures contract is subject to the DPR described above. Whenever the fluctuations in the prices of our commodity futures contracts breach their respective price filter limitations or DPR, trading may be resumed if our Exchange decides, under certain circumstances, to relax the circuit filter limitations or DPR up to the limit approved by the FMC.

Insurance Coverage. Certain of the members who trade on our Exchange are covered by a Broker's Indemnity Insurance Policy that we currently maintain with The Oriental Insurance Company Limited. The policy provides indemnity in respect of members' erroneous transactions, forgery, dishonesty of employees, computer crimes, electronic transmissions and electronic securities.

Settlement Guarantee Fund. We maintain the SGF that we had set up with an initial corpus amount of ₹ 10.0 million. We also collect security deposits made by each member towards their initial margins and any other deposits or collaterals provided by the member for taking additional exposure on the Exchange. If a member fails to meet his obligations to our Exchange which arises out of his clearing and settlement operations in respect of his transactions, or has insufficient funds in his account to meet his settlement obligations, or is declared a defaulter, funds from the SGF may be utilised as provided in the relevant rules, bye-laws and business rules of our Exchange. Our Exchange has also obtained insurance coverage under special contingency insurance policy of appropriate amount covering risk of exchange clearing house and settlement guarantee fund. As of December 31, 2011 the total amount in the SGF fund was ₹ 18.71 million.

Investor Grievance Redressal and Arbitration Mechanism. In order to protect the interests of investors and clients, our Exchange provides a time-bound mechanism of redressing investors' grievances or disputes by way of conciliation or arbitration. Under this mechanism, all claims, differences or disputes between members or between a member and his client in relation to trades, contracts and transactions executed on our Exchange should be resolved by way of conciliation. If such conciliation proceedings do not result in an amicable settlement, the parties to the dispute may make a reference to arbitration according to the provisions of the bye-laws of our Exchange.

Under our bye-laws, such arbitration will be conducted by arbitrators selected by the parties to the dispute from the list of arbitrators on our Exchange's panel established for such purpose. The arbitral tribunal shall pass the arbitral award within three months from the date of such dispute referred to arbitration. However, this time period may be extended from time to time by our Exchange upon application made by either of the parties or the arbitral tribunal.

The below table details the status of cases referred to arbitration and pending for the periods indicated:

Period	Opening balance	No. of applications received	No. of Awards passed	No. of cases Pending
Fiscal 2007	4	53	24	33
Fiscal 2008	33	86	71	48
Fiscal 2009	48	166	147	67
Fiscal 2010	67	140	128	79
Fiscal 2011	79	113	158	34
Nine Months Ended December 31, 2011	34	154	91	97

Investor Protection Fund. We have set up the IPF for investor protection and education. This fund is funded primarily by us through annual contributions, and a portion of penalties imposed by our Exchange is also contributed to this fund. We have been directed by FMC to create an investor protection trust for this purpose, whose objectives shall include the following:

- compensating the constituents of members of our Exchange in the event a member of our Exchange is declared a defaulter in accordance with the byelaws, rules and regulations of our Exchange;
- creating awareness through the media on the benefits of trading on national level commodity exchanges;
- developing infrastructure for price dissemination or preparation of literature on the commodities market for public distribution;
- imparting education and training to the public at large;
- imparting education and training to the various professionals working in the market, including our Exchange;
- imparting education and training to farmers on issues relating to agriculture, risk protection and marketing;
- funding of research connected with the above purposes either by our Exchange or any other agency

promoted or sponsored by our Exchange; and

- for such other purpose of public utility as the trustees may deem fit and consistent with the objects of the trust and directives of FMC.

As of December 31, 2011, we had ₹ 129.55 million in the IPF.

Competition

We face competition in all aspects of our business and compete directly with four other national level commodity exchanges in India, namely NCDEX, NMCE, ICEX and ACE. There are specific regulatory and technological requirements such as setting up of the exchange network infrastructure that a new participant will be required to meet. For a description of the regulatory requirements, see “Regulations and Policies” on page 162. We believe the principal factors affecting competition with our Exchange include product portfolio, quality of technology (which includes ease of use, connectivity, security, scalability and customer service), liquidity, transaction costs, speed of execution and transparency.

Historically, the commodity futures industry has been characterised by significant specialisation. Exchanges generally develop niche in product categories based on the performance of the trade and product specification and support mechanism provided by the exchange. Although there is no regulatory provision which prohibits trading of similar products on different exchanges, the market generally converges to a particular exchange, with respect to a specific product, based on the product related support and services that exchange provides to market participants. That exchange would then further develop and enhance the product, thus creating a stronger foothold and carving out a niche for itself in that particular product. The liquidity provided by trading in a particular contract on an exchange, as described above, typically creates a competitive advantage for that exchange as compared to other exchanges considering offering competing contracts.

The following table provides comparative data for turnover and market share of our Exchange, NCDEX, NMCE, ICEX, ACE and other exchanges in India, for the periods indicated:

Exchange	Nine Months Ended December 31, 2011		Fiscal 2011		Fiscal 2010		Fiscal 2009	
	Turnover (₹ million)	Market Share (%)	Turnover (₹ million)	Market Share (%)	Turnover (₹ million)	Market Share (%)	Turnover (₹ million)	Market Share (%)
MCX	119,806,891	87.3	98,415,030	82.4	63,933,025	82.3	45,880,946	87.4
NCDEX	12,875,536	9.4	14,106,022	11.8	9,175,847	11.8	5,357,070	10.2
NMCE	1,206,330	0.9	2,184,109	1.8	2,279,015	2.9	614,566	1.2
ICEX	1,977,409	1.4	3,777,299	3.2	1,364,254	1.8	-	-
ACE	991,282	0.7	300,596	0.3	59,794	0.1	87,810	0.2
Others	371,099	0.3	706,368	0.6	835,610	1.1	549,176	1.0
TOTAL	**137,228,547**	**100.0**	**119,489,425**	**100.0**	**77,647,545**	**100.00**	**52,489,568**	**100.00**

Source: *Except for data pertaining to MCX, all data has been sourced from market data maintained by FMC.*

Notes: ICEX commenced its trading operations on November 27, 2009. In October 2010, Ace Derivatives and Commodity Exchange (formerly Ahmedabad Commodity Exchange) transformed from a regional exchange to a national multi-commodity futures trading platform.

Intellectual Property

We own various intellectual properties. We have 113 registered trademarks and 43 trademarks that are pending registration. We have also registered 73 copyrights under the Indian Copyright Act, 1947 for certain commodity futures contracts specifications in commodities traded on our Exchange and literary works published by us.

Insurance

We maintain a number of insurance policies to cover our assets, liabilities and risks that we face in various aspects of our operations. We are exposed to the risk of loss of commodities stored in designated warehouses/vaults deposited by the depositors, and cash with which we deal on a constant basis. We have obtained insurance against the risks associated with commodities stored in our warehouses and vaults. We have purchased special contingency insurance from the New India Assurance Company Limited for ₹ 7,500 million in respect of the gold and silver stored at our vaults in Ahmedabad and terrorism insurance cover with loss limit of ₹ 5,000 million.

In addition, we are also exposed to the risks of equipment loss and damage from fire, burglary, earthquake and terrorism, which may lead to service interruption. We manage such risks through insurance that cover our electronic equipment, including VSATs and IDU, as well as business furniture and fixtures, electronic equipment, portable computers, money in transit as well as money stored in locked safe and baggage, up to specific limits. The same policy also provides us with public liability insurance cover. As an exchange and clearing house, we maintain brokers' indemnity insurance and special contingency insurance in relation to our clearing business and settlement guarantee fund with The Oriental Insurance Company Limited.

Our employees are covered by group insurance policies which cover all employees of our Group Companies, including medical insurance, staff term life insurance and personal accident insurance.

Employees

We had 242 full time employees as of December 31, 2011. Our employees are not represented by trade unions and are thus not covered by any collective agreements. We have not experienced any strikes, work stoppages, labour disputes or actions by or with our employees, and we believe that relations with our employees are satisfactory. As part of our strategy to improve operational efficiency, we regularly organise in-house and external training programs for our employees.

In addition to a base salary, our employees are rewarded with performance-linked variable pay, which is consistent with the industry standard. We also provide stock-based compensation to our employees and directors through stock options. For more details, see "Capital Structure" on page 80. We also provide a number of benefits to our employees, such as medical expenses, housing or rent assistance, educational loans, healthcare and retirement benefits. Our employees are also covered under specific insurance schemes, covering death or injuries sustained during the course of employment. Performance linked, variable pay is a regular part of our employee reward and evaluation process. These schemes are worked out through a transparent and consultative process. Our employees are not allowed to trade in commodity futures.

Our workforce comprises mostly professionals and skilled manpower. The function-wise break-up of our full time employees as of December 31, 2011 is as set forth below:

Broad Functional Area	No. of Employees
Top Management	2
Business Development	25
Market Operations, Systems and Networking, Membership	116
Corporate Social Opportunities	4
Research, Planning and Strategy	25
Finance, Accounts, Legal and Secretarial	30
Support	40
Total	242

Corporate Social Opportunities

We established our Corporate Social Opportunities department in May 2007. The main functions of this department include:

- providing farmers with opportunities in the domain of agricultural marketing, risk management and finance;

- formulating ways for us to operate in a manner that respects, motivates and empowers our staff; and

- promoting efforts to minimise the negative effects of our business to the environment.

We implement various programs to fulfil the above objectives. Some of the projects which we have already initiated are mentioned below.

Gramin Suvidha Kendra

We entered into strategic alliances with several state postal departments to set up Gramin Suvidha Kendra, with the objective of providing farmers with a level playing field through access to new opportunities in agricultural marketing, risk management and finance. We believe that the extensive network and presence of India Post will enable our programmes to reach farmers in the most remote parts of India. Through alliances with our Gramin Suvidha Kendra partners, we aim to provide farmers with agricultural inputs, expert advice on farming problems, warehousing, and warehouse receipt financing information on spot and futures prices for their produce, as traded on our Exchange. We have secured the participation of companies such as JK Seeds and Pioneer for supplying seeds, pesticide and water soluble fertiliser, to provide farmers on our programme with access to better agricultural input. We have also entered into a memorandum of understanding with Weather Risk Management Services Private Limited for the design of weather insurance and the provision of a decision support system for farmers to improve understanding of weather risks associated with crop cultivation, including the weather forecast services. We have also entered into an agreement with MIRC Electronics Limited for the sale and supply of "IGO"-branded low cost efficient lighting products, the sale of which has begun at the GSK centres. Our partners also include Ekgaon Technologies Private Limited for providing SMS based advisory services and Green Village Ventures Private Limited for providing and implementing green solutions in the rural communities of Maharashtra and Karnataka. Gramin Suvidha Kendra is also a member of Business Call to Action, which is facilitated by the International Business Leaders Forum.

We periodically map the progress of this programme to monitor its effectiveness. This project currently operates in six states including Maharashtra and Gujarat. We have 36 centers, which have reached out to many farmers through 565 branches of the Indian postal department. To facilitate the Gramin Suvidha Kendra initiatives, we supply the information and communication technology infrastructure at certain post offices at each of our Gramin Suvidha Kendra centers.

E-waste Recycling

We are committed to our environmental responsibilities and have a comprehensive environment policy and e-waste policy. We have entered into agreements with Eco Recycling Limited for the collection, recycling and disposal of the e-waste that we generate, such as old computer hard disks, printers and keyboards, in an environmentally clean manner.

Signatory to United Nations Global Compact

We became a signatory to United Nations Global Compact in 2007. We submit an annual report to United Nations Global Compact to communicate our efforts in implementing the principles of this organisation.

Sustainability Report

In February 2011, we became India's first exchange to report its sustainability performance for the fiscal 2010 in accordance with Global Reporting Initiative's G3 Sustainability Reporting Guidelines and Financial Sector Supplement. The report was prepared to confirm to "Application Level A+" and presents our triple bottom line performance for the fiscal 2010. The sustainability report is an annual exercise.

Properties and Facilities

Our registered and corporate office is located at Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai 400 093. We own this building measuring around 84,750 square feet (including basement area). This building is designed to promote conservation of energy through a number of structural initiatives such as double vacuumed glass windows and variable refrigerant volume air conditioning system.

We operate from leased properties in other locations, and the details of our leased premises are set out in the following table.

No.	Location	Area (Sq. Ft. unless mentioned otherwise)	Tenure	Leasehold/ Freehold
	Mumbai			
1.	Row House no.1, Royal Palm Estates, Near Mayur Nagar at Aarey Colony, Opp. Royal Palm Plaza Hotel, Mumbai	2,000	Expired on December 1, 2011 but in the process of being renewed	Leave and License
2.	Flat no. L-301, Greenwoods Apartment , Chakala, Andheri (East), Mumbai	754 (carpet), 1,110 (built-up)	24 months from September 1, 2010	Leave and License
	Navi Mumbai			
1.	Dana Bunder at Navi Mumbai APMC.	150	December 15, 2011 to December 14, 2014	Lease
	Others			
1.	Office unit no. 206, Money Chambers, K.H. Road, Bangalore**.**	730	July 1, 2010 to June 30, 2013	Leave and License
2.	House No.154, Golf Links, New Delhi	375 square yards	June 1, 2011 to May 31, 2014	Lease

REGULATIONS AND POLICIES

The Department of Consumer Affairs in the Ministry of Consumer Affairs, Food and Public Distribution, Government of India is the apex regulatory body governing all commodity exchanges. It exercises overall regulatory supervision over the commodity exchanges, and also has the authority to grant or withdraw recognition of any commodity exchange.

The primary statute applicable to a commodity exchange is the Forward Contracts (Regulation) Act, 1952 ("**FCRA**") and the rules formulated thereunder, the Forward Contracts (Regulation) Rules, 1954 ("**FCRR**"). The FCRA provides for the setting up of the FMC to implement the provisions thereof. Pursuant to this, the FMC was set up in 1953. Most of the regulatory powers of the Central Government were delegated to the FMC. However, the powers relating to the grant and withdrawal of recognition to the associations are with the Central Government, which acts on the advice of the FMC.

The FCRA categorizes commodities into three categories for the purposes of regulation:

- commodities in which forward trading can be undertaken through a recognized association;
- commodities in which forward trading is prohibited; and
- commodities which have neither been regulated for being traded under the recognized association nor prohibited. Such commodities are referred to as 'free commodities' and the associations dealing in such free commodities are required to obtain a certificate of registration from the FMC for trading thereof.

The FCRA classifies contracts into ready delivery contracts, and forward contracts. Ready delivery contracts are contracts where both the supply/delivery of goods and payment is completed within 11 days from the date of the contract. Such contracts are outside the purview of the FCRA. Forward contracts on the other hand are contracts for supply of goods and payment, where supply of goods or payment or both takes place after 11 days from the date of the contract or where delivery of goods is totally dispensed with. These forward contracts are regulated and governed by the FCRA. The FCRA empowers the FMC to prohibit by a notification, forward contracts in a particular commodity in addition to those already prohibited under the FCRA.

Forward Markets Commission

Establishment of the FMC

The FMC has its headquarters at Mumbai and a regional office at Kolkata. Under the FCRA, the FMC can consist of a minimum of two and a maximum of four members (one of them being nominated by the Central Government to be the Chairman thereof), all of whom are appointed by the Central Government for a term of three years. Currently, the FMC consists of two members.

Powers and Functions of the FMC

The FMC exercises a wide array of functions under the FCRA, which can be summarized as below:

- Provision of advice to the Central Government in respect of the recognition or the withdrawal of recognition of any association/exchange;
- Providing advice to the Central Government in respect of all matters arising out of the administration of the FCRA;
- Monitoring and regulation of the forward markets, and taking any action as it may consider necessary, in exercise of the powers assigned to it by or under the FCRA;
- Collection and publication of information in relation to the trading conditions in respect of goods to which the FCRA is made applicable;

- Submission of periodical reports to the Central Government on the working of forward markets relating to such goods where the FCRA is applicable;

- Recommendations to the Central Government for the improvement of the organization and working of forward markets; and

- Inspection of the accounts and other documents of any of the recognized or registered associations or any member of such associations whenever it considers necessary.

The FMC has been vested with certain powers of a civil court under the Code of Civil Procedure, 1908 for the exercise of its functions. Therefore, the FMC can summon and enforce the attendance of any person and examine him on oath, receive evidence on affidavits, requisition any public record and require the discovery and production of any document. Any person who fails to furnish information/documents required by the FMC would be liable for criminal action against him.

Grant of recognition to an association dealing in forward contracts

Any association dealing with forward contracts is required to obtain recognition from the Central Government by applying for the same in the prescribed format. The Central Government acts in consultation with the FMC while granting such recognition. The following are required to be provided to the Central Government while applying for such recognition:

- rules and bye-laws for the regulation and control of forward contracts;

- rules in relation to the constitution of the association;

- rules relating to the governing body of such association, its constitution and powers of management and the manner in which its business is proposed to be transacted; and

- rules relating to the admission into the association of various classes of members.

Under the FCRA, the rules or bye-laws cannot be amended without the approval of the Central Government. This power has since been delegated to the FMC. Hence, any amendment to rules or bye-laws would require the prior approval of the FMC. The Central Government also has the power to withdraw the recognition granted to an association in public interest or in the interest of trade. However, the Central Government is required to grant an opportunity to the concerned association before withdrawing such recognition.

In addition, under the FCRA, no association which deals in forward contracts can carry on such business without having obtained a certificate of registration from the FMC.

A two-stage process has been laid down under the Guidelines for Grant of Recognition to New National Commodity Exchange under the provisions of the Forward Contracts (Regulation) Act (F.No. 12/1/2007-IT dated May 14, 2008) (the "**Recognition Guidelines**") for granting recognition to a new exchange. The Guidelines require exchanges to have a demutualised structure, i.e., a structure wherein the shareholders of the exchange would not have any trading interest in the exchange. The Recognition Guidelines also contain certain restrictions as to the proposed equity shareholding pattern of the exchange applying for recognition. These include the following:

- The exchange should be registered as a public limited company with a minimum authorised capital of ₹ 1,000 million;

- One or more of the initial partners/members of the promoter consortium must be a Government company/companies contributing at least 26% of the paid up equity capital of the proposed exchange;

- The shareholding of certain institutional investors including stock/commodity exchanges, banks and public financial institutions should not be less than 20% with a minimum of 10% from government companies and federations;

- No individual shall hold more than 1% of the paid up equity capital of the exchange and the total of such individual holdings shall not exceed 25% of the paid up capital;

- No single shareholder, subject to the shareholding limits prescribed before, shall hold more than 40% of the paid up equity capital of the exchange, either individually or together with persons acting in concert;

- Lock-in of the investment in initial paid up capital by the shareholders for a period of three years, which may be relaxed to a period of one year in exceptional cases by the FMC; and

- Requirement for any investor to bring down its shareholding in excess of 26% to 26% or below within two years beginning from the fourth year from the date of recognition of the exchange, and obligation on the investors, on expiry of the period mentioned above, to comply with the guidelines notified by the Government from time to time.

The Recognition Guidelines also prescribe certain conditions to be complied with by exchanges which have been granted in-principle under the Guidelines within a period of one year from the date of grant of in-principle approval.

Subsequently, the Guidelines on the Equity Structure of the Nationwide Multi Commodity Exchanges after five years of operation (F.No. 12/1/2007-IT dated July 29, 2009) (the "**Equity Structure Guidelines**") have laid down certain restrictions in relation to the paid up equity capital and shareholding of national commodity exchanges. These include the following:

- All national commodity exchanges should have a paid-up equity capital of at least ₹ 500 million and net worth of at least ₹ 1,000 million;

- The total shareholding of certain entities, including Government companies, banks and public financial institutions, cooperative societies as defined in the Societies Act and federations and warehousing companies in the private sector having minimum five years' standing in the warehousing business and owning and operating warehouses in at least two states should not be less than 26%;

- The shareholding of any shareholder other than the original promoters or investors, at the time of recognition as a national commodity exchange, is limited to 15% or less, and of original promoters or investors, to a maximum of 26%;

- The shareholders of the exchange should not have any trading interest either as a trading member or as a client of the exchange. The shareholding of any broker/member of any other commodity exchange should not exceed 1% and the total shareholding of all such brokers/members taken together should not exceed 10% of the paid up equity capital of the exchange; and

- No non-corporate entity, apart from those covered by clause 3.5 of the Equity Structure Guidelines, shall hold more than 1% of the paid up equity capital of the exchange and the total of such holdings (together with those covered under clause 3.5 of the Equity Structure Guidelines) shall not exceed 25% of the equity capital of the exchange.

Divestment or fresh issue of equity shares should be to investors satisfying the criteria for a 'fit and proper person' as defined in Note 2 enclosed in the Equity Structure Guidelines. The Equity Structure Guidelines also require allotment of shares to foreign entities to be in conformity with the provisions of the Press Note No. 2 (2008) dated March 12, 2008 issued by the Department of Industrial Policy and Promotion ("**DIPP**"), subject to any changes made therein. The last date for compliance with the Equity Structure Guidelines is September 30, 2010, which may be extended up to September 30, 2011 by the FMC in exceptional cases on genuine grounds.

Stock/commodity exchanges are subject to these additional restrictions under the Equity Structure Guidelines and the Recognition Guidelines:

i. No single stock exchange (along with the person acting in concert) shall hold more than 5% of the paid up equity share capital of the said exchange. The cumulative holding of other stock exchanges in the relevant national stock exchange shall not increase more than 10%;

ii. No single commodity exchange (along with the person acting in concert) shall hold more than 15% of paid up equity capital of the said exchange; and

iii. The cumulative holding of all stock/commodity exchanges (along with person acting in concert) in the said national commodity exchange shall not be more than 20% at any given point of time.

Waivers received by our Company from FMC

Our Company has received two letters (F. No. 3/2/2009/MD-I/33222 dated June 18, 2010 and F. No. 4/1/2009/MD-I dated April 22, 2010) (the "**Waivers**"), granting approval for the Offer and waiving the applicability of clause 3.2 of the Equity Structure Guidelines requiring minimum 26% shareholding in nationwide commodity exchanges on the part of certain entities, and clause 3.6 of the Equity Structure Guidelines limiting the shareholding of non-corporate entities to 1% and imposing an overall ceiling of 25% in respect of all such non-corporate entities. The Waivers are subject to the following conditions:

a. The members of our Company (being exchange members) will not be permitted to hold shares in our Company. Clients of such members, however, may be permitted to hold up to 1% of the total equity of our Company while being permitted to trade thereon. Such clients will themselves be responsible for compliance with this provision and any breach thereof would attract penal action; and

b. The existing stipulation in the Equity Structure Guidelines restricting the shareholding of brokers/members of other commodity exchanges to 1% is required to be complied with and such individual brokers/members will themselves be responsible for compliance with this provision. However, the cumulative ceiling of 10% shareholding for all such brokers/members has been waived.

Further, in terms of the Waivers, clauses 4 and 5 of the Equity Structure Guidelines were modified whereby no person may hold 2% or more of the paid up capital of our Company without satisfying the 'fit and proper person' criteria as set out in Note 2 to the Equity Structure Guidelines, and without obtaining the prior permission of the FMC. The Equity Structure Guidelines sets out the following criterion for a person to be a fit and proper person:

(i) such person has a general reputation and record of fairness and integrity, including but not limited to financial integrity, good reputation, character and honesty.

(ii) such person or any of its whole time directors or managing partners have not been convicted by a Court for any offence involving moral turpitude or any economic offence, or any offence against any laws;

(iii) an order for winding up has not been passed against the person;

(iv) the person or any of its whole time directors or managing partners have not been declared insolvent and have not been discharged;

(v) an order, restraining, prohibiting or debarring the person, or any of its whole time directors or managing partners from dealing in commodities / securities or from accessing the market has not been passed by any regulatory authority and a period of three years from the date of the expiry of the period specified in the order has not elapsed;

(vi) any other order against the person or any of its whole time directors or managing partners which has a bearing on the commodities market, has not been passed by any regulatory authority and a period of three years from the date of the order has not elapsed;

(vii) the person has not been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force; and

(viii) the person is financially not unsound.

The FMC would take into consideration the following factors in determining whether to grant permission to any entity to increase its shareholding to 2% or more, in order to ensure that the public interest aspect is not diluted:

(a) The acquisition is in public interest;

(b) The desirability of diversified ownership of our Company (being a commodity exchange);

(c) The soundness or feasibility of the plans of the applicant for the future conduct and development of the business of our Company; and

(d) Shareholder agreements and their impact on control and management of our Company.

Further, our Company has received a letter (No. 4/1/2009/MD-1 dated February 11, 2010) from the FMC directing our Company to take the prior approval of the FMC even in case of transfer of equity shares of less than 1% of the equity capital till the prescribed equity structure is complied with.

Powers to make rules and bye laws

Under the FCRA, an association that has been granted recognition by the Central Government on the advice of the FMC has the power to make rules in relation to the conduct of the members and the relationship with and among its members. Such rules may pertain to admission, grouping of members, reservation of seats on its governing body for groups of members, voting rights, etc. Recognized associations can also make bye-laws for the regulation and control of forward contracts dealt with by them. Under the bye-laws, the associations have the power to prescribe that the contravention of any of the bye-laws shall render the member concerned liable to fine or render the member concerned liable to expulsion or suspension from the recognized association or to any penalty of a like nature not involving the payment of money. In addition, the Central Government also has the power to promulgate and amend bye-laws and rules either on the request of the association or on its own accord when it deems expedient to do so. Further, unless expressly waived by the FMC, the draft bye-laws which are proposed to be amended/revised are required to be published for the notice of all the persons likely to be affected by it to take into consideration any objections or suggestions with respect to the said draft.

After having obtained recognition from the Central Government, the recognized association requires the approval of the FMC in respect of all commodities and forward contracts traded on the exchanges along with their contract specifications which describe the quantity, quality and the place of delivery of the commodity traded. The permission specifies the goods or classes of goods with respect to which forward contracts may be entered into between members of such association or through or with any such member.

Supervision

The FMC has powers to conduct inspection of accounts of the exchanges and their members and to inquire into the affairs of the exchanges. In the event of an emergency situation, it is empowered to suspend trading.

The FCRR requires every recognized association to submit periodical returns relating to its affairs and the affairs of its members in such form and in such manner and at such times as may be specified in this behalf by the FMC. Further, the FCRR also lists out prescribed details that are required to be included by the recognized associations in their annual reports.

The Central Government may, if it is of the opinion that the governing body of any recognized association should be superseded, after giving a reasonable opportunity to the governing body of the recognized association, declare the governing body of such association to be superseded for a period of up to six months. The Central Government may appoint any person or persons to exercise and perform all the powers and duties of the governing body. On the reconstitution of a governing body, all the property of the recognized association which had vested in, or was in the possession of, the person or persons appointed by the Central Government shall vest or revest, as the case may be, in the governing body so reconstituted.

Further, the Central Government may also direct a recognized association to suspend such business for a period not exceeding seven days and may also extend this period from time to time. However, an extension beyond one month will be permitted only if the governing body of such association has been given an opportunity of being heard in the matter.

The Central Government may suspend a member from the membership of any recognized association or prohibit such members from entering into any forward contract for the sale or purchase in his own name or through another member of a recognized association, of any goods or class of goods in the interest of trade or in the public interest after giving an opportunity to the member concerned of being heard. Such order shall specify the period for which the suspension or prohibition is to have effect and such period may be extended from time to time but so as not to exceed three years in the aggregate. In all such matters, the Central Government usually seeks the advice of the FMC.

Penal Provisions

The FCRA contains penal provisions in relation to offences involving the contravention of the FCRA and most offences under the FCRA constitute cognizable offences. The powers of search, seizure and investigation are with the respective state police authorities.

The FCRA provides that in case a person enters into any forward contract during the period of suspension of business of a recognized association in pursuance of a notification or is a member of any association other than a recognized association, to which a certificate of registration has not been granted under the FCRA, or enters into any forward contract or any option in goods in contravention of the FCRA, the person shall, on conviction, be punishable (for a first offence) with imprisonment which may extend to one year or with a fine of not less than ₹ 1,000, or with both. For a second or subsequent offence in relation to entering into a forward contract or any option in goods in contravention of the FCRA, the person may be punished with imprisonment which may extend to one year along with a fine. However, in the absence of special and adequate reasons which are required to be mentioned in the judgment of the court, the imprisonment shall be not less than one month and the fine shall be not less than ₹ 1,000. Further, the court may, if it thinks fit and in addition to any sentence which it may impose for such offence, direct that any money, goods or other property in respect of which the offence has been committed, be forfeited to the Central Government.

The FCRA provides that in the event that an offence has been committed by a company, every person who at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and may be proceeded against accordingly.

The FMC has also issued a circular (circular no. 6/6/2007/MKT-II) dated March 5, 2010, which provides for a uniform penalty structure for all commodity exchanges. The uniform penalty structure is intended to do away with the practise of varying penalties imposed on different exchanges for offences which are similar. Through this structure all nationwide multi commodity exchanges are charged uniform penalty for offences by members such non compliance with know-your-customer norms, irregularities in the maintenance of the books of the company etc. The circular provides a detailed list of violations and corresponding penalties.

Client Protection

The FMC, by a circular (FMC/COMPL/IV/2010/Gen Corr) dated July 6, 2010 has issued the "Guidelines to Clients for filing complaints against members" (the "**Guidelines**") on the procedure for clients to file complaints against members of exchanges. As per the Guidelines, the complaint has to be first sent to the exchange with which the member is registered and then to the FMC. The Guidelines also set out the jurisdiction of the FMC which is limited to complaints relating to the violation of the FCRA, FCRR or bye-laws of recognized/registered associations/exchanges.

Foreign Investment in Commodity Exchanges

In terms of the Consolidated FDI Policy notified by the DIPP under Circular no. 2 of 2011 effective from October 1, 2011 (the "**FDI Policy**"), the following restrictions apply to foreign investment in commodity exchanges:

a. A composite ceiling of 49% is applicable to foreign investment under the Government route as follows:

   (a) Investment up to 26% as FDI under the FDI Scheme incorporated as Schedule 1 under regulation 5(1) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (the "**FEMA Regulations**"); and

   (b) Investment up to 23% by registered FIIs under the Portfolio Investment Scheme incorporated as Schedule 2 to the FEMA Regulations.

b. FII purchases are restricted to the secondary market only; and

c. No foreign investor/entity, including persons acting in concert, may hold more than 5% of the equity in commodity exchanges.

The FMC has, by a circular (F No. 11/29/2009-IR-II) dated June 21, 2010, issued the "Guidelines for Member of Commodity Exchanges In Joint Ventures and Wholly Owned Subsidiaries Abroad" (the "**JV/WOS Guidelines**") in supersession of prior guidelines issued by the FMC in relation to setting up of joint ventures and wholly owned subsidiaries. The JV/WOS Guidelines have been issued in accordance with the RBI circular (A.P. (DIR Series) circular no. 6) dated September 6, 2009, which clarifies that clearance will be required from the FMC for and setting up joint ventures or wholly owned foreign subsidiaries for trading in overseas commodity exchanges. As per the JV/WOS guidelines, any applicant desirous of setting up a joint venture or wholly owned subsidiary has to fulfil the following conditions:

a. The applicant needs to be a member of a national commodity exchange as per section 6 of Forward Contract and Regulations Act, 1952, at least for a year.

b. The applicant needs to maintain minimum net worth of ₹ 50 million for the period immediately preceding three consecutive financial years. The FMC has the authority to relax this requirement.

RBI Circular dated November 4, 2011

RBI has pursuant to its circular dated November 4, 2011 liberalized the policy and procedures for the transfer of shares from non-resident to residents and *vice versa.* Pursuant to the said circular, RBI approval will not be required for transfer of shares between non-resident and resident if (i) the original and resultant investment is in compliance with the FDI policy and provisions of the Foreign Exchange Management Act, 1999; (ii) the pricing is in compliance with the applicable the SEBI Regulations/guidelines; and (iii) a certificate from chartered accountant confirming compliance with the SEBI Regulations/guidelines is attached to the form FC-TRS to be filed with the authorized dealer.

Further, RBI approval will not be required for transfer of shares between resident and non-resident (i) where the transfer of shares require FIPB approval and the same has been obtained; and (ii) such transfer is in compliance with the pricing guidelines and documentation requirements as specified by RBI. Further, RBI approval is not required where the investee company is in financial services sector and NOCs have been obtained from the financial sector regulators/ regulators of the investee company as well as transferor and transferee entities.

Service Tax

The Ministry of Finance vide their notification no. 18/2008 dated May 10, 2008 included the services provided by commodity exchanges in the service tax net. Pursuant to this notification, the various charges levied by commodity exchanges have been made subject to service tax at the rate of 12.36% with effect from May 16, 2008. Subsequently, the rate of service tax was reduced to 10% with effect from February 24, 2009 vide notification no. 8/2009 dated February 24, 2009.

HISTORY AND CERTAIN CORPORATE MATTERS

We are a de-mutualised multi commodity association and were incorporated on April 19, 2002 under the name Multi Commodity Exchange of India Private Limited. The subscribers to the Memorandum of Association were V. Hariharan and Rinsy Ansalam. Further allotments were made to La-Fin Financial Services Private Limited, Sajit Dayanandan, Dewang Neralla, Ajay Narsimhan and Manjay Shah on April 22, 2002. Subsequently, on May 16, 2002, we were converted into a public company and consequently our name was changed to Multi Commodity Exchange of India Limited. We received a fresh certificate of incorporation from the RoC pursuant to the change in our name on May 28, 2002. All the then existing shareholders transferred their shares to FTIL, our Promoter, on August 25, 2003. We received permanent recognition from the Government of India for facilitating online trading, clearing and settlement operations for commodity futures markets across the country on September 26, 2003. Online futures trading commenced on MCX in November 2003. We received non-promoter equity participation for the first time in the year 2004 when Bank of India, Union Bank and Corporation Bank invested in the Equity Shares of our Company. Since then, we have received equity participation from various banks and financial institutions, including State Bank of India in July 2004, HDFC Bank Limited in March 2005, the NSE in May 2005 and NABARD in June 2005. Fidelity Funds-India Focus Funds (FID Funds (Mauritius) Limited) also invested in our Company by subscribing to 3,600,000 Equity Shares of face value ₹ 10 each on February 3, 2006. During Fiscal 2008, our Promoter, FTIL, sold 1,953,770 Equity Shares of ₹ 10 each to each of Citigroup Strategic Holdings Mauritius Limited and Merrill Lynch Holdings (Mauritius), 1,563,016 equity shares of face value ₹ 5 each to GLG Financial Funds, 2,344,524 equity shares of face value ₹ 5 each to Passport India Investment (Mauritius) Limited, 2,476,190 equity shares of face value ₹ 5 each to ICICI Trusteeship Services Limited, 296,000 equity shares of face value ₹ 5 each to ICICI Lombard General Insurance Company Limited, 3,907,540 equity shares of face value ₹ 5 each to IL&FS Trust Company Limited, 781,508 equity shares of face value ₹ 5 each to each of New Vernon Private Equity Limited, Kotak Mahindra Trusteeship Services Limited and Alexandra Mauritius Limited. In June 2008, FTIL sold 3,907,540 equity shares of face value ₹ 5 each to Euronext N.V.

As of the date of this Red Herring Prospectus, our Company has 861 shareholders.

Change in Registered Office of our Company

Following are the changes in the Registered Office of our Company since incorporation:

Change in Address	Date of change	Reason
From: A3/62, Mahindra Gardens, adjacent to Patkar College, S.V. Road, Goregaon (West), Mumbai 400 062 To: Malkani Chambers, 1st floor, off Nehru Road, Vile Parle (East), Mumbai 400 099	August 14, 2003	Administrative convenience
From: Malkani Chambers, 1st floor, off Nehru Road, Vile Parle (East), Mumbai 400 099 To: 102A, Landmark, Suren Road, Chakala, Andheri (East), Mumbai 400 093	August 11, 2004	Administrative convenience
From: 102A, Landmark, Suren Road, Chakala, Andheri (East), Mumbai 400 093 To: Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai 400 093	September 20, 2008	Shifting into premises owned by our Company

Key Milestones

Some of the key milestones of our Company are as follows: -

Year	Events
May 28, 2002	Our Company was converted into a public limited company and our Company's name was changed to Multi Commodity Exchange of India Limited
September 26, 2003	Our Company received permanent recognition from the Ministry of Consumer Affairs, Food and Public Distribution, Government of India
November 10, 2003	First day of trading for our Company
December 8, 2003	Online futures trading during evening session and through Internet trading facilities was pioneered
November 29, 2004	MoU entered into between FTIL and NAFED to create a national level agricultural spot exchange.
June 7, 2005	Launch of composite commodity futures index ('**MCX-COMDEX**') by our Company
June 14, 2005	'Commodity Suchana Kendra', a joint initiative between our Company, Maharashtra State Agricultural Marketing Board ("**MSAMB**") and NSEAP to link up all Agriculture Produce Market Committee ("**APMC**") markets, was launched at the Agriculture Produce Market Committee, Navi Mumbai.
October 25, 2005	Our Company entered into a license agreement with London Metal Exchange ("**LME**") for the use of the LME's official prices as the basis for settlement of certain futures contracts
December 1, 2005	Our Company entered into a MoU with the University of Mumbai for creating a chair in its department of economics
June 5, 2006	Our Company signed a license agreement with NYMEX
June 12, 2006	Our Company teamed up with the Department of Posts, Government of India, to launch Gramin Suvidha Kendra in Jalgaon, Maharashtra, for information dissemination and query redressal on agricultural issues to farmers using the Indian postal network**.**
July 24, 2006	Our Company signed an agreement with Euronext.LIFFE
May 23, 2007	Our Company obtained ISO/IEC 27001: 2005 certification
June 3, 2008	Our Company was granted membership to the International Organisation of Securities Commissions ("**IOSCO**").
June 9, 2008	Launch of futures in CER (Certified Emission Reduction) by our Company
July 18, 2008	Launch of the Gujarati and Hindi version of website mcxindia.com by our Company
October 14, 2009	Our Company released India's first Yearbook on Indian Commodity Ecosystem in collaboration with PricewaterhouseCoopers
November 30, 2009	Our Company launched "Exchange of Futures for Physicals" (EFP) transactions
June 7, 2010	Our Company signed an MoU with Shanghai Futures Exchange
October 20, 2010	Our Company was recertified to ISO 9001:2008 Quality Management System standard by Bureau Veritas Certification (India)
December 9, 2010	Our Company released Commodity Insights Yearbook 2010 in collaboration with PwC
December 20, 2010	Our Company entered into an MoU with Taiwan Futures Exchange (TAIFEX) to develop

Year	Events
	commodity futures market in India
September 23, 2011	Our Company recorded its highest daily turnover since inception of ₹ 1,116.66 billion
September 2011	Our Company is the world's fifth largest commodity futures exchange among all the commodity exchanges considered in the Futures Industry Association survey in terms of the number of futures contracts traded during the period January to June 2011

Awards and recognitions

We have received the following awards and recognition:

Year	Award/Recognition
2008	Our Company was awarded the "Golden Peacock Eco-innovation award 2008" by the Institute of Directors
2008	Our Company was recognized as "India's First Green Exchange" by Priyadarshini Academy
2008	Our Company received the "Best Bullion Exchange of the Year" award from the Bombay Bullion Association
2009	Our Company received the "Sankalp Award" for Agriculture and Rural Innovation
2010	Our Company received the NASSCOM Foundation Social Innovation Honours 2010
2010	Our Company received the FICCI Socio Economic Development Foundation (SEDF) Corporate Social Responsibility Award 2009-10
2010	Our Company received the "Best Commodity Exchange of the Year" award from the Bombay Bullion Association
2011	Our Company received the "Financial Inclusion Award 2011" from the SKOCH Foundation
2011	Our Company won the Indy's award under the category 'Best in Corporate Social Responsibility practices'
2011	Our Company was selected as a Business Superbrand for the year 2010 – 2011
2011	Our Company won Bombay Bullion Association's 'Best Commodity Exchange of the Year' award

Main Objects of our Company

Our main objects as contained in our Memorandum are as follows:

To establish, operate, regulate, maintain and manage facilities in Mumbai and elsewhere in India and abroad enabling the members of the Exchange, their authorised agents and constituents and other participants to transact, clear and settle trades done on the Exchange in different types of contracts in commodities, securities and other instruments and derivatives thereof, in ready, forward and futures markets and to provide accessibility to the markets to various members of the Exchange and their authorised agents and constituents and other participants within and/ or outside India, and to provide, initiate, facilitate and undertake all support services relating thereto as per the Articles of Association, Bye-Laws, Rules and Regulations of the Exchange.

Changes in Memorandum of Association

Date	Changes
May 16, 2002	Conversion from a private company into a public company
March 17, 2003	Increase in our Company's authorised share capital from ₹ 0.5 million to ₹ 110 million

Date	Changes
February 27, 2004	Alteration of the object clause and increase in our Company's authorised share capital from ₹ 110 million to ₹ 180 million
April 3, 2004	Increase in our Company's authorised share capital from ₹ 180 million to ₹ 300 million
February 5, 2005	Increase in our Company's authorised share capital from ₹300 million to ₹ 500 million
September 1, 2007	Sub-division of our Equity Shares of the face value of ₹ 10 each to equity shares of face value of ₹ 5 each
September 30, 2010	Increase in our Company's authorised share capital from ₹ 500 million to ₹ 700 million
March 14, 2011	Consolidation of our equity shares of the face value of ₹ 5 each to Equity Shares of face value of ₹ 10 each

Business and Management

For details of our Company's business, products, marketing, the description of its activities, products, market segment, the growth of our Company, standing of our Company with reference to the prominent competitors with reference to its services and geographical segment, see section titled "Our Business" on page 132.

For details of the management of our Company and its managerial competence, see section titled "Our Management" on page 194.

Injunctions or Restraining Order against our Company

There are no injunctions or restraining order against our Company.

Subsidiaries, Joint Ventures and Partnerships

As of the date of this Red Herring Prospectus, our Company has two Subsidiaries, MCXCCL and SME. For further details of our Subsidiaries, see section titled "Our Subsidiaries" on page 192.

As of the date of this Red Herring Prospectus, our Company has no joint ventures or partnerships.

Summary of Key Agreements

Agreements with our Promoter/ Promoter Group

We enter into agreements with our Promoter and Promoter Group companies from time to time in the ordinary course of business, details of which are set out below. The tabular representation of all the agreements between the Company and the Promoter and Promoter Group Companies is set out below:

S. No.	Agreement	Product/Services availed under the Agreement	Basis of consideration
Agreements with our Promoter			
1.	Software development agreement dated February 27, 2003	Supply of customized software to be used for integrated online trading, clearing and settlement system and other related services.	One time fixed price for development of customised software.
2.	Software development agreement dated December 23, 2003	Supply of certain customised software to be used for integrated online trading, clearing and settlement system including the CTCL gateway system.	One time fixed price for development of customised software.
3.	Technical services	Technical services in relation to up-	Fixed price and variable fees based on

S. No.	Agreement	Product/Services availed under the Agreement	Basis of consideration
	agreement dated October 1, 2005 and renewed on October 10, 2006, October 31, 2007 and July 15, 2010	gradation and modification of software and maintenance of the systems.	transaction charges.
4.	Software development agreement dated October 1, 2005	Supplies of computer software i.e. risk management system and standard portfolio analysis of risk and related services.	One time fixed price for the development of the software.
5.	Services agreement dated June 21, 2006 and further amended by supplementary agreement dated April 2, 2007, October 31, 2007, October 25, 2008 and September 23, 2009 and addendums dated July 2, 2010 and May 26, 2011	Supply of services such as enhanced version of the client side software and its support and maintenance services to our members for accessing the platform for trading purposes.	Monthly recurring charges based on number of active terminals.
6.	Software development agreement dated October 3, 2006	Providing customized software in respect of data warehousing applications.	One time fixed price for development of customised software.
7.	Software development agreement dated October 3, 2006	Providing customized software to enable trading by banks, foreign institutional investors and mutual funds on the Company's trading platform.	One time fixed price for development of customised software.
8.	Agreement dated March 12, 2007	Supply and installation of customized software to enable multi-lingual support on the trading platform.	One time fixed price for development of customised software.
9.	Managed services agreement dated September 27, 2007 and amendment dated October 31, 2007 and was renewed on April 9, 2008, September 23, 2009, and addendum dated June 7, 2010 and June 10, 2011	Providing information technology support services for trading and clearing operations, office systems management and common services.	Fees on monthly basis based on rates predefined for each level/ designation of personnel deployed by FTIL.
10.	Agreement dated February 25, 2008	Development, delivery and implementation of customized exchange technology software for specific exchange	One time fixed price for development of customised software.

S. No.	Agreement	Product/Services availed under the Agreement	Basis of consideration
		support activity.	
11.	Memorandum of understanding dated October 3, 2008, addendum dated September 23, 2009 and June 10, 2011	Providing support services including shared services, such as management support services, infrastructure related support services, human resource related support services.	Reimbursement of monthly fixed charges.
12.	License agreement dated December 1, 2008	Licensing of all the software applications under various software licensing agreements entered into between the Company and FTIL for the disaster recovery sites set up by the Company in Chennai and Vashi, Navi Mumbai.	One time fixed price for licensing the software.
13.	Software license agreement dated July 2, 2009	License for the use of the software known as SPAN® Real Time Component Interface and SPAN Risk Manager Clearing.	Annual license fee.
14.	Agreement dated May 22, 2009 and addendum dated December 21, 2011	Agreement for sharing costs incurred by FTIL in relation to hardware, software, peripherals, infrastructure and related items.	Shared cost of estimated usage of common resources at actuals.
15.	Software development agreement dated March 3, 2010	Agreement for providing software development and related services	Fixed price basis for the development of software and additional maintenance charges.
16.	Software license agreement dated May 23, 2011	License for the use of the software known as Alert Management System.	Fixed price basis for the development of software.
17.	Consultancy service agreement dated September 16, 2011	Agreement pursuant to which FTIL is providing consultancy services to the Company based on the Company's business requirements	Fixed monthly fee payable at the end of every quarter.
Agreements with our Promoter Group			
1.	Agreement dated February 5, 2008 between FT Knowledge Management Company Limited and the Company	Agreement pursuant to which the Company has transferred its training, consultancy and certification related activities to FT Knowledge Management Company Limited including the right to establish and operate training activities.	Payment to be made on a quarterly basis on the basis of gross fees earned by FT Knowledge Management Company Limited.
2.	Agreement dated February 6, 2009 and addendums dated	Agreement pursuant to which National Bulk Handling Corporation Limited is providing the Company with warehousing	Payment of service charges in consideration for the warehousing facilities.

S. No.	Agreement	Product/Services availed under the Agreement	Basis of consideration
	November 9, 2009, February 17, 2011 and September 16, 2011 between National Bulk Handling Corporation Limited and the Company	space for the storage of various food grains, pulses and other agro-based commodities.	
3.	Agreement dated September 28, 2009 between FT Knowledge Management Company Limited and the Company	Agreement pursuant to which FT Knowledge Management Company Limited conduct seminars/workshops/conferences on commodities and derivatives market and securities	Payment of service fees on a monthly basis for the seminars/workshops/conferences conducted.
4.	Agreement dated December 1, 2008 between Takshashila Academia of Economic Research and the Company	Agreement for transferring the business of conducting research on commodities leading to the publication of commodity reports and manuals for trading in commodity derivatives and publication of the quarterly journal, "Commodity Vision" to Takshashila Academia of Economic Research.	Consideration is based on the revenue generated by Takshashila Academia of Economic Research from publication of commodity reports and manuals for trading in commodity derivatives.
5.	Agreement dated September 26, 2009 and addendum dated September 27, 2010 and May 25, 2011 between Takshashila Academia of Economic Research and the Company	Agreement pursuant to which Takshashila Academia of Economic Research will undertake research in commodities, derivatives and issues as indicated and publish research or articles.	Monthly fixed price basis for conducting research in commodity derivatives and providing reports.
6.	Software development agreement dated March 5, 2011 between Atom Technologies Limited and the Company	Agreement pursuant to which Atom Technologies Limited is providing software to the Company along with the license for usage of such software and related services.	One time fixed price providing the software along with the license for usage of the software.

Further, the amount paid to the promoter and promoter group companies in the last three years is as follows:

(*In ₹Million, unless otherwise specified*)

		FY 2011	FY 2010	FY 2009
A	Total payments	1,134	648	1,141
B	Total operating expenses as per Profit & Loss Account*	1,771	1,458	1,354
C	% to total operating expenses (A/B)	64%	44%	84%

* *Operating expenses includes staff costs, administration and other operating expenses.*

The details of the above mentioned agreements are set out below:

Agreements with our Promoter

We have entered into the following agreements with our Promoter, FTIL, in relation to supply of technical services:

1. We have entered into a Software Development Agreement ("**SDA**") with FTIL on February 27, 2003 whereby FTIL agreed to supply to our Company customized software to be used for integrated online trading, clearing and settlement system and other related services. This customised software includes computer programs or object codes containing executable or set up files or data files and an electronic customised software for online trading and matching consisting of server side application technologies and software products as also client side application software technologies. The SDA provides that any right, interest, property or benefit in the intellectual property in the said software vests solely and exclusively with FTIL. The SDA is valid for a term of 50 years and there will be an automatic renewal for 49 years thereafter unless the SDA is terminated earlier. As per the SDA, the consideration payable by us to acquire the right to use the said software was ₹ 100 million. However, in lieu of and in complete satisfaction of this amount, our Company has alloted 10 million Equity Shares of ₹ 10 each to FTIL on September 6, 2003. In terms of the SDA, FTIL has warranted that the customised software supplied herein does not infringe the intellectual property of any third party and that it shall facilitate free electronic distribution of any releases of version upgrades or patches to us. FTIL has supplied the necessary software as per this agreement.

2. We have entered into another Software Development Agreement ("**SDA-1**") with FTIL on December 23, 2003 whereby FTIL agreed to supply certain other customised software to be used for integrated online trading, clearing and settlement system including the CTCL gateway System which is a server side component that has been designed using a standards based approach. The SDA-1 provides that any right, interest, property or benefit in the intellectual property in the said software vests solely and exclusively with FTIL. The SDA-1 is valid for a term of 50 years and there will be an automatic renewal for 49 years thereafter unless the SDA-1 is terminated earlier. As per the SDA-1, the consideration payable by us to acquire the right to use the said software is ₹ 50 million. However, in lieu of and in complete satisfaction of this amount, our Company has allotted five million Equity Shares of ₹ 10 each to FTIL on March 10, 2004. In terms of SDA-1, FTIL has warranted that the customised software supplied herein does not infringe intellectual of any third party and that it shall facilitate free electronic distribution of any releases of version upgrades or patches to us. FTIL has supplied the necessary software as per this agreement.

3. We have entered into a technical services agreement with FTIL on October 1, 2005 whereby FTIL agreed to provide services in relation to upgradation and modification of software and maintenance of system for a period of one year, with an option to renew the agreement with the mutual consent of the parties. In terms of an agreement dated October 10, 2006, our Company and FTIL renewed the technical services agreement for a period of one year with effect from October 1, 2006 with a 20% upward revision of charges. Either party has the right to terminate this agreement with 90 days written notice. Our Company is required to pay a fee of ₹ 7,200,000 per month and ₹ 1,800,000 per month for upgradation and maintenance services respectively.

   The said agreement has been renewed as a comprehensive agreement for IT infrastructure and software services with effect from October 1, 2007 for a period of five years, pursuant to the agreement dated October 31, 2007 entered into between our Company and FTIL. Under the renewed agreement, FTIL has agreed to provide services with respect to software modification, bug fixing, administration, etc. in addition to providing managed services with respect to trading and clearing operations. Our Company is required to pay a fixed fee of ₹ 10 million per month in addition to a variable fee of 10% of the gross transaction fee (net of any taxes charged thereon). By an amendment agreement dated July 15, 2010, the variable fees payable by our Company has been increased to 12.5% of the gross transaction fees.

4. We entered into a software development agreement with FTIL on October 1, 2005 whereby FTIL has supplied computer software (i.e. risk management system and standard portfolio analysis of risk) and

related services for a sum of ₹ 100 million including one time training to our staff to enable us to use such software and their associated documentation and related services. This agreement is valid for a term of 20 years and will be automatically renewed thereafter for a further period of 20 years unless terminated earlier.

5. We have entered into a Services Agreement ("**SA**") dated June 21, 2006 as amended by supplementary agreements dated April 2, 2007, October 31, 2007, October 25, 2008 and September 23, 2009 and an addendum dated July 2, 2010 and May 26, 2011 with FTIL. In terms of the SA, FTIL shall provide us certain services such as, *inter alia*, enhanced version of the client side software and its support and maintenance services to our members for accessing the platform for trading purposes. In terms of the SA, FTIL shall grant a non-exclusive, non transferable license with limited usage rights to us for distributing the license to our members for online trading within India. In addition to providing initial software for the same, upgrades to the previous version installed from time to time on payment of the agreed fees shall also be provided by FTIL. The license fee payable by us in terms of the SA as amended by the supplementary agreement dated October 31, 2007 is ₹500 per active terminal. The SA provides that we shall not display, disclose or sublicense to third parties, and also shall not lease, loan, modify, adapt, translate, reverse engineer, disassemble or decompile the product or any portion thereof, or create derivative works of the product for any purposes. The intellectual property vests solely in FTIL and we or our members shall not acquire any title, right or interest.

   The term of the SA was for a period of two years with effect from April 1, 2006 and the SA provided for automatic renewal for a further period of one year on mutually accepted terms and conditions. The term of the SA was extended up to March 31, 2008 and March 31, 2009 by the supplementary agreements dated October 31, 2007 and October 25, 2008 respectively. By a supplementary agreement dated September 23, 2009, the period of the SA has been further extended up to March 31, 2010 with effect from April 1, 2009. Pursuant to an addendum dated July 2, 2010, the SA was extended for a period of one year with effect from April 1, 2010 at the same rates as earlier in force. Pursuant to an addendum dated May 26, 2011, the SA has been extended for a period of one year with effect from April 1, 2011 at the same rates as earlier in force.

6. We have entered into a software development agreement with FTIL on October 3, 2006 whereby FTIL agreed to provide customized software in respect of data warehousing applications. The software will enable "query data storage" and "query facilities" so as to provide reports in prescribed formats. This customized software includes computer programs or object codes containing executable or set up files or data files and an electronic software for online trading and matching consisting of server side application technologies as well as client side application software technologies. In terms of this software development agreement, the consideration paid by us to acquire the right to use the software is ₹ 20 million. This software development agreement is valid for a term of 20 years and there will be automatic renewal for a term of 20 years thereafter unless the software development agreement is terminated earlier. The customized software will be under a warranty period of one year from the date of implementation of the said customized software, after which period the parties have agreed to enter into an annual maintenance contract on mutually acceptable terms. FTIL has agreed to support or maintain mandatory changes to message-based or file-based interfaces as specified by the respective regulators, without additional charge to us. It is provided that any right, interest, property or benefit in the intellectual property in the said software vests solely and exclusively with FTIL. FTIL has warranted that the industrial or intellectual property used by and/or for the customized software does not infringe the industrial or intellectual property of any third party. FTIL has supplied the necessary software as per this agreement.

7. We have entered into another software development agreement with FTIL on October 3, 2006 whereby FTIL agreed to provide customized software to enable trading by banks, foreign institutional investors and mutual funds on our electronic trading platform. This customized software includes computer programs or object codes containing executable or set up files or data files and an electronic software for online trading and matching consisting of server side application technologies as well as client side application software technologies. In terms of this software development agreement, the consideration paid by us to acquire the right to use the software is ₹ 45 million. The software development agreement is valid for a term of 20 years and there will be an automatic renewal for a term of 20 years thereafter unless the software

development agreement is terminated earlier. The customized software will be under a warranty period of one year from the date of implementation of the said customized software, after which period the parties have agreed to enter into an annual maintenance contract on mutually acceptable terms. FTIL has agreed to support or maintain mandatory changes to message-based or file-based interfaces as specified by the respective regulators, without additional charge to us. This software development agreement provides that any right, interest, property or benefit in the intellectual property in the said software vests solely and exclusively with FTIL. FTIL has warranted that the industrial or intellectual property used by and/or for the customized software does not infringe the industrial or intellectual property of any third party.

8. We have entered into an agreement with FTIL on March 12, 2007 whereby FTIL has developed software so as to enable multi-lingual support as well as installed the same at our member trading workstations and member administrators for a sum of ₹ 35 million. This agreement is valid for a term of 20 years and will be automatically renewed thereafter for a further period of 20 years unless terminated earlier. Further, during the period of this agreement, we cannot use any other software for the purpose of this agreement and if the need arises it may be availed of from a third party only upon the disability of FTIL to provide such software.

9. We have entered into a managed services agreement dated September 27, 2007 with FTIL ("**Managed Services Agreement**") with respect to the provision of IT support services for trading and clearing operations, office systems management and common services for a period of one year with effect from April 1, 2007. The Managed Services Agreement has been partly modified to exclude trading and clearing operations pursuant to an agreement for IT infrastructure support and software services dated October 31, 2007, with effect from October 1, 2007 entered into by our Company with FTIL. As per the terms of the Managed Services Agreement, we are required to pay towards skilled personnel deployed for the efforts on pre-decided man-month rates.

   The Managed Services Agreement has been renewed for an additional period of one year on April 9, 2008 (when the scope of services was extended to include web and print graphics related services) and September 23, 2009, upon mutually agreed terms. The rates of payment for services have been revised by the supplementary agreement dated September 23, 2009 for web maintenance services and graphic services and for office systems management services. The Managed Services Agreement expired on March 31, 2010 and was further renewed (at revised rates) with effect from April 1, 2010 for a period of one year, up to March 31, 2011, alongwith revision to the variable payment of the gross transaction fees payable to FTIL, pursuant to an addendum dated June 7, 2010. Pursuant to an addendum dated June 10, 2011, the Managed Services Agreement has been extended for a period of one year at revised rates for web maintenance and graphic services at blended rate of ₹ 125,000 per person per month.

10. We have entered into an agreement with FTIL on February 25, 2008 for the development, delivery and implementation of customized exchange technology software. The software comprises the second phase of development of data warehousing application, bullion delivery software, membership software, view only terminal software, broadcast alert engine software, derivatives watch software, MIS software for real time and delayed parallel broadcast on different SBS and groupwise load balancing, software for interface with members for delivery instructions, bank auto interface software, broadcast replay, and such other software applications. The total value of the software developed, delivered and implemented under this agreement is ₹ 200 million.

11. FTIL and our Company have entered into a memorandum of understanding ("**FTIL MoU**") on October 3, 2008 as amended by an addendum dated September 23, 2009 and June 10, 2011, whereunder FTIL has agreed to provide business support services including shared services, such as management support services, infrastructure related support services, human resource related support services, legal function support, etc. (the "**Services**") at the request of our Company with effect from April 1, 2008 and fulfill all the Services within a reasonable time. In terms of the FTIL MoU, our Company is required to reimburse FTIL monthly service charges of ₹ 9 million. The service charges are subject to quarterly review with any revisions in the same to be made by a separately executed addendum. Either party may terminate the FTIL MoU by giving written notice of 60 days to the other party. The service charges payable by our Company

under the FTIL MoU have been revised by the addendum dated September 23, 2009 to ₹ 8 million per month, with effect from April 1, 2009. The Services and charges payable by our Company under the FTIL MoU have been further revised by the addendum dated June 10, 2011 to ₹ 2 million per month, with effect from April 1, 2011.

12. FTIL and our Company have entered into an agreement dated December 1, 2008 ("**DR License Agreement**") for licensing all the software applications under the software licensing agreements entered into between our Company and FTIL on February 27, 2003, December 23, 2003, October 1, 2005, October 3, 2006, October 3, 2006, March 12, 2007, February 25, 2008, October 25, 2008 and a proposal dated July 20, 2008 for the disaster recovery sites set up by our Company in Chennai and Vashi, Navi Mumbai. Our Company is required in terms of the DR License Agreement to pay FTIL consideration of ₹ 100 million. In addition to this, the other terms and conditions of the said software licensing agreements will be applicable to the respective software for the disaster recovery sites.

13. We have entered into an agreement with FTIL on July 2, 2009 ("**Software License Agreement**") effective from April 27, 2009 (the "**Effective Date**") whereunder FTIL has granted our Company a non-exclusive, non-transferable, specifically limited license to use the software known as SPAN® Real Time Component Interface and SPAN Risk Manager Clearing (the "**Licensed Software**") which has been licensed by FTIL from Chicago Mercantile Exchange which is embedded in certain of FTIL's products ("**Licensor's Products**"). This license has been granted for the purpose of generating risk parameter file using SPAN RM Clearing Software. Our Company is not permitted to sub-license the Licensor's Products under the Software License Agreement and will receive the Licensor's Products only in object code format. Our Company may not modify, copy or otherwise reproduce the Licensor's Products without the prior written permission of FTIL. FTIL is required to provide our Company maintenance and support services from the end of the warranty period (90 days from the Effective Date). The license fees and support services fees to be paid by our Company to FTIL are as prescribed in the Software License Agreement, and FTIL has the right to increase the same upon renewal of the term of the Software License Agreement.

    The Software License Agreement has a term of one year from the Effective Date. The Software License Agreement provides for automatic renewal on an annual basis in the absence of written notice of termination from either party given at least four months prior to the end of the term, or termination as per the termination provisions. As per the terms of the Software License Agreement, either party may terminate the agreement by giving the other party 30 days' written notice on the ground of material breach of the agreement by the other party if such material breach is not corrected within the notice period of 30 days, or upon change in the applicable law affecting FTIL's ability to license or our Company's ability to use the license for the Licensor's Products, or upon any change in the agreement entered into between FTIL and Chicago Mercantile Exchange which affects FTIL's ability to license the Licensor's Products. Additionally, FTIL may terminate the agreement upon 30 days' written notice to our Company if our use of the license is causing or likely to cause material damage or harm to the reputation or goodwill of FTIL and the same is not corrected to the satisfaction of FTIL within the notice period of 30 days.

14. We have entered into an agreement with FTIL for sharing costs incurred by FTIL in relation to hardware, software, peripherals, infrastructure and related items ("**Infrastructure**") on May 22, 2009 ("**Cost Sharing Agreement**") effective from October 1, 2008 (the "**Effective Date**"). Under the Cost Sharing Agreement, our Company has agreed to share the actual cost of the Infrastructure incurred by FTIL based on our estimated percentage of usage of the Infrastructure. Our Company has agreed to share 30% of the cost incurred by FTIL in relation to the Infrastructure until March 31, 2009 and for the costs incurred thereafter, new sharing ratios were to be mutually agreed on a quarterly basis based on our estimated usage. The Infrastructure shall remain the exclusive property of FTIL. The agreement is valid for a period of three years from the Effective Date until terminated and is renewable for any further period upon the terms and conditions and for such period subject to mutual written consent of our Company and FTIL. Both our Company and FTIL have the right to terminate the agreement by giving the other party 90 days' notice in writing, but the payment obligations under the Cost Sharing Agreement shall survive the termination. Pursuant to an addendum dated December 21, 2011, the Cost Sharing Agreement has been extended for a period of three years from October 1, 2011 until September 30, 2014.

15. We have entered into a software development agreement dated March 3, 2010 (the "**SDA-2**"), whereby FTIL has agreed to provide certain software development (advanced charting tools) and related services as set out in the SDA-2 (the "**FTIL Services**") in consideration for fees of ₹ 10 million as a one-time software development cost and additional maintenance-related costs of ₹ 5 million per annum, with effect from the date of execution of the SDA-2. In terms of the SDA-2, the scope of the FTIL Services may be amended by our Company and FTIL to cover other/additional services upon such terms and conditions as may be mutually agreed, from time to time. The FTIL Services shall be deemed to be accepted from the date of installation of the software and the warranty period in respect of the same shall continue for a period of one year. The SDA-2 is valid for a period of three years from March 3, 2010, unless terminated by the parties. Either party may terminate the SDA-2 by giving written notice of not less than 90 days to the other party. Neither party is liable, in terms of the SDA-2, for failure or delay in performance due to any *force majeure* reasons.

16. We have entered into software license agreement with FTIL on May 23, 2011 ("**Software License Agreement**") whereunder FTIL has granted our Company a non-exclusive, non-assignable and non-transferable, license to use the software known as Alert Management System (the "**Licensed Software**"). Our Company is not permitted to sell, transfer, export, distribute, license or sub-license the Licensed Software under the Software License Agreement. Our Company shall not modify or create any derivative work in the Licensed Software or make any alternations or deletions of data in the database of the Licensed Software. The license does not extend to any affiliate of our Company or a third party or to any business or operation of a third party, acquired by our Company by merger, consolidation, purchase, operation of law or otherwise without the prior permission of FTIL. FTIL is required to provide our Company maintenance and support services from the end of the warranty period (one year from the date of acceptance of the Licensed Software). The license fees and support services fees to be paid by our Company to FTIL under the Software License Agreement is ₹ 150 million.

    The Software License Agreement has been entered for a term of five years from the date on which the Licensed Software is accepted by our Company. The Software License Agreement provides for automatic renewal after the end of five years with revised rates as determined by FTIL. As per the terms of the Software License Agreement, FTIL may terminate the agreement if our Company breaches its obligations under the Software License Agreement and if such breach is not corrected within the notice period of 30 days. Either party may terminate the agreement in the event the other party becomes bankrupt or enters into liquidation or if the other party is carrying out any unlawful business.

17. We have entered into a non-exclusive consultancy service agreement with FTIL on September 16, 2011 ("**Consultancy Services Agreement**") whereby our Company has agreed to avail consultancy services. As per this Consultancy Services Agreement, our Company will provide specifications on the basis of its business requirements and based on which, FTIL will provide its consultancy services on a non-exclusive basis. This agreement is effective from April 1, 2011 and shall be in force until such time as either FTIL or our Company terminates the same. Under this agreement, our Company is required to pay compensation on the basis of the resources engaged at the applicable rates/fees on monthly/quarterly basis. FTIL or our Company may terminate this agreement after giving 90 days prior written notice to the other party.

Agreement with our Promoter Group Companies

1. We have entered into an agreement with FT Knowledge Management Company Limited ("**FT KMC**") on February 5, 2008 whereby our Company has transferred its training, consultancy and certification related activities to FT KMC. As per this agreement our Company has granted to FT KMC a non-exclusive, non-assignable and non-transferable right to establish and operate training activities including the right to approve third party "MCX Authorised Training Centres" under franchisee and licensing agreements as agreed between FT KMC and such third parties from time to time and to use the MCX brand, logo/ trade mark and related certification for conducting the course. This agreement is valid for a period of five years. The agreement also provides for FT KMC to pay 10% of the gross fees earned towards the courses where the MCX brand/logo/ trademarks are used on a quarterly basis.

2. Our Company has entered into an agreement with NBHC ("**Warehousing Agreement**") dated February 6, 2009 effective from October 1, 2008, as amended by an addendum dated November 9, 2009 whereby NBHC has agreed to provide our Company with warehousing space for the storage of various food grains, pulses and other agro-based commodities at the locations and for such time periods as decided mutually by our Company and NBHC from time to time. In terms of the Warehousing Agreement, NBHC shall undertake responsibilities including unloading and storage of commodities in the designated area of the warehouse, providing storage facilities, arranging for weighment on receipt or delivery, intimating and coordinating with the designated quality certification agencies approved by our Company, of the arrival of commodities and sampling, weighment and verification of the same, provision of security, maintenance of storage records, arranging for loading and offering support for physical delivery, etc. Our Company is required to pay NBHC mutually agreed service charges in consideration for the services provided by NBHC. The Warehousing Agreement is valid unless terminated by either party by giving 60 days' prior written notice to the other party. The agreement may be terminated by either party *inter alia* upon failure of the other party to operate the business in accordance with the agreement, disclosure of confidential information acquired in the course of business to any other person without express prior permission for the disclosures, or supply of misleading or false information by either of the parties. Further, by an addendum dated February 17, 2011 effective retrospectively from April 1, 2010, the parties have revised the payment structure under the Warehousing Agreement. Further, by an addendum dated September 16, 2011, the parties have further revised the payment structure under the Warehousing Agreement.

3. We have entered into an agreement dated September 28, 2009 ("**Training Agreement**") with FT Knowledge Management Company Limited ("**FT KMC**") whereby FT KMC has agreed to conduct seminars/workshops/conferences on commodities and derivatives market and securities as may be mutually decided between our Company and FT KMC. In consideration for the services provided by FT KMC, our Company has agreed to pay FT KMC service fees on a monthly basis as per rates prescribed in the Training Agreement. Our Company is required, under the Training Agreement, to take steps to safeguard the intellectual property of FT KMC. The Training Agreement is valid for a period of three years and may be extended further upon mutual discussion and consent but shall stand automatically terminated on the last day of validity of the agreement. The provisions in the Training Agreement relating to records, accounts and audit, confidentiality, injunction, term and termination, indemnity, arbitration and jurisdiction shall survive the termination of the agreement. The party desirous of renewing the agreement is required to give not less than 60 days' written notice of the intention to renew to the other party.

4. We have entered into an agreement dated December 1, 2008 (the "**Commodity Vision Agreement**") with Takshashila Academia of Economic Research ("**TAER**") for transferring the business of conducting research on commodities leading to the publication of commodity reports and manuals for trading in commodity derivatives and publication of the quarterly journal, "Commodity Vision" to TAER as on December 1, 2008 (the "**Date of Transfer**"). In terms of the Commodity Vision Agreement, our Company has also transferred the benefit of all contracts, book debts then owing, the benefit of securities if any and cash at hand and at the bank, cheques, notes, bills and other property and assets of "Commodity Vision" to which our Company was entitled in connection with it on the Date of Transfer. The consideration for the transfer has been agreed as 5% of the total consideration from the sale of the quarterly journal "Commodity Vision" to be paid to our Company on a yearly basis for a period of 10 years from the date of the Commodity Vision Agreement. In the event of no profit or the profit earned being less than 5% of the total consideration payable to our Company, our Company shall not have a right of accumulation to claim the annual payment, and the same shall lapse. With effect from December 1, 2008, our Company ceased to incur any expenditure of any nature in relation to the "Commodity Vision" and all such expenditure was to be borne by TAER.

5. We have entered into an agreement (the "**Research Agreement**") dated September 26, 2009 effective from April 1, 2009 (the "**Effective Date**") with Takshashila Academia of Economic Research Limited ("**TAER**") whereby TAER is required to undertake research in such commodities, derivatives and issues as indicated by our Company from time to time and publish research or articles prepared by its research team as may be requested by our Company from time to time in lieu of or in addition to requirements in the normal course of business. Additionally, TAER is required to set aside a minimum of 250 copies of such

publication on behalf of our Company for free distribution to select readers. Our Company is required, under the Research Agreement, to provide TAER requisite support and time with respect to any assignment and to properly brief TAER with respect to our requirements from time to time. Our Company is required to pay TAER a lumpsum monthly fee of ₹1,500,000 payable at the end of every quarter for meeting the costs towards the deliverables under the Research Agreement. The Research Agreement is valid for a period of one year and shall stand automatically renewed for another term of one year on the last day of validity of the agreement unless otherwise mutually agreed upon by the parties. Both our Company and TAER have the right to terminate the agreement, *inter alia* upon default or breach of performance of the agreement by the other party, or without assigning any reason by serving three months' notice on the other party. Additionally, our Company has the right under the Research Agreement to terminate the agreement forthwith in the event TAER questions, disputes or attacks the validity, right, title or interest of our Company as to our Company's trademarks, trade names, service names and marks and designs and technical know-how including copyrights or other intellectual property rights. The Research Agreement has been modified by an agreement dated September 27, 2010 revising certain terms of payment. Pursuant to an addendum dated September 27, 2010, the Research Agreement was extended for a period of one year with effect from April 1, 2010. Further, pursuant to an addendum dated May 25, 2011, the Research Agreement has been extended for a period of one year with effect from April 1, 2011.

6. We have entered into a software development agreement dated March 5, 2011 with Atom Technologies Limited ("**Atom**") (the "**Atom Agreement**"), whereby Atom has agreed to provide certain software to our Company alongwith the license for usage of such software and related services as set out in the Atom Agreement (the "**Atom Services**") in consideration for a certain fees as stated in the Atom Agreement. In terms of the Atom Agreement, the scope of the Atom Services may be amended by our Company and Atom to cover other/additional services upon such terms and conditions as may be mutually agreed, from time to time. Atom is required to develop and install the software within a period of one year from the date of the Atom Agreement. The Atom Agreement is valid from the date of the agreement until it is terminated by either party to the agreement. Either party may terminate the Atom Agreement by giving written notice of not less than 30 days to the other party. Neither party is liable, in terms of the Atom Agreement, for failure or delay in performance due to any *force majeure* reasons.

Share Subscription Agreement dated June 27, 2005 between our Company, Bennett, Coleman and Company Limited and FTIL

Our Company entered into a tripartite Share Subscription Agreement ("**SSA**") with Bennett, Coleman and Company Limited ("**BCCL**") and FTIL on June 27, 2005 whereby BCCL subscribed to 756,825 Equity Shares of ₹ 10 each at the price of ₹ 148.65 per Equity Share amounting to an aggregate consideration of ₹ 112,502,036. In terms of the SSA, our Company and FTIL, in its capacity as Promoter, have jointly and severally given an undertaking that they shall use reasonable endeavours to cause an IPO of our Company within three years of the closing date as defined in the SSA. It is also provided that in the event that our Company issues any further Equity Shares at any point of time prior to the completion of the IPO at a price lower than the price at which Equity Shares are allotted to BCCL, then our Company shall offer such number of Equity Shares forming part of the fresh offering to BCCL. Further the price at which such Equity Shares are offered to BCCL should be determined in such manner so as to ensure that the weighted average price of the Equity Shares acquired by BCCL under the SSA and the Equity Shares to be acquired pursuant to such fresh offering by BCCL shall be equal to the price paid for the Equity Shares issued at the fresh offering by another person. The SSA provides that this right to BCCL shall not be available to BCCL in the event that a fresh offering of Equity Shares is made to certain persons as mentioned in the SSA up to such number of Equity Shares as mentioned in the SSA. In addition, our Company may also issue up to 1,190,000 Equity Shares to up to five persons (not being FTIL) and BCCL shall not have the aforementioned rights in such cases. The Equity Shares acquired by BCCL are subject to lock in for a period of four years from the closing date or such period as determined by applicable law at the time of the IPO, whichever is earlier.

The SSA provides that in the event that the IPO of our Company is not completed within four years from the closing date as defined in the SSA, BCCL shall have the right to require FTIL to purchase all or some of the Equity Shares owned by BCCL at a price as prescribed under the SSA. The right of BCCL is subject to the condition that the same shall be exercised at any time after the end of four years from the closing date up to such date when the Equity

Shares of our Company are listed on a recognized stock exchange following the IPO. Further, BCCL has agreed to extend the period for enforcing the abovementioned right to March 31, 2012.

The SSA provides that in the event that FTIL proposes to transfer its shareholding to any third party which is not an affiliate of FTIL, BCCL shall have a tag along right whereby FTIL cannot carry out this transaction unless such third party agrees to purchase such number of Equity Shares from BCCL determined at a pro rata basis at the same terms and conditions as offered to FTIL. In the event, that the third party refuses to purchase such number of Equity Shares from BCCL, FTIL shall be required to reduce the number of Equity Shares offered by it such that the third party purchases a proportionate number of Equity Shares from BCCL. However, in the event that FTIL proposes to transfer such number of Equity Shares such that the transfer would amount to FTIL transferring more than 1,900,000 Equity Shares, FTIL cannot carry out this sale unless the third party makes an offer to purchase whole of the shareholding of BCCL. BCCL, through its letter dated December 18, 2007, has granted its no objection to FTIL disposing Equity Shares as part of the Offer.

Further, if BCCL proposes to transfer a part or the whole of its shareholding through negotiated deals after the expiry of 48 months from the closing date or an IPO, whichever is earlier, it shall have to offer the same to FTIL at first instance. However, this right is not available to FTIL if BCCL proposes to carry out this transaction on the floor of a stock exchange.

The SSA may be terminated by either party in case the terms and conditions of the SSA are breached and such breach is not cured within 14 days of receipt of a notice in respect of the breach. The SSA is governed by Indian law and all disputes are required to be resolved according to the provisions of the Indian Arbitration and Conciliation Act, 1996.

Share Subscription Agreement dated January 26, 2006 between our Company and Fidelity Funds-India Focus Funds

Our Company has entered into a Share Subscription Agreement ("**Fidelity SSA**") with Fidelity Funds-India Focus Funds ("**Fidelity**") on January 26, 2006 whereby Fidelity subscribed to 3,600,000 Equity Shares of ₹ 10 each of our Company at a price of ₹ 600 per Equity Share ("**Subscription Price**") amounting to an aggregate consideration of ₹ 2,160 million.

In terms of the Fidelity SSA, Fidelity has been granted certain rights during the Special Rights Period (as mentioned below) such as:

- our Company shall not issue any preference shares, warrants, rights, options, debentures, appreciation rights or instruments or any securities (excluding options pursuant to ESOP) which would have the effect of diluting Fidelity's investment in our Company.

- our Company shall keep Fidelity informed about the process and progress of the proposed IPO and provide copies of documents filed with the SEBI and responses received, provide Fidelity with copies of any filings made by it or its subsidiaries with any securities exchange or any governmental authority and shall grant Fidelity the right to inspect the facilities, records and books of our Company and its subsidiaries, as well as to discuss their operations and business with their respective Directors, employees, accountants, legal counsel and merchant bankers.

The Special Rights Period as defined under the Fidelity SSA is the period from the date of the agreement and the earlier of the completion of the proposed IPO of our Company or till Fidelity ceases to hold any shares of our Company. Accordingly, the Special Rights Period will expire on the completion of this Offer.

Share Purchase Agreement dated September 7, 2007 between GLG Financials Fund Limited and FTIL

FTIL has entered into a share purchase agreement with GLG Financials Fund Limited (the "**Buyer**") on September 7, 2007 (the "**GLG Fund SPA**"). In terms of the GLG Fund SPA, FTIL undertook to transfer to the Buyer 781,508 Equity Shares of ₹ 10 each (the "**Investor Shares**"), free and clear of all encumbrances, for the consideration (payable in US dollars) equivalent to ₹ 902,641,740. Further, as a condition precedent to the GLG Fund SPA, FTIL has provided a confirmation to the Buyer stating that if our Company issues any Equity Shares prior to its IPO (other than Equity Shares or rights in Equity Shares arising from an employee share option scheme operated by our Company) that would dilute the shareholding of the Buyer of 2% of the fully diluted equity share capital of our Company, the Buyer shall immediately be offered further Equity Shares in our Company by FTIL to restore the earlier shareholding of the Buyer.

Share Purchase Agreement dated September 20, 2007 between our Company, Citigroup Strategic Holdings Mauritius Limited and FTIL and deed of novation dated December 1, 2009 with Aginyx Enterprises Limited.

FTIL entered into a share purchase agreement ("**Citi SPA**") with Citigroup Strategic Holdings Mauritius Limited ("**Citigroup**") and our Company on September 20, 2007 whereby Citigroup purchased to 1,953,770 Equity Shares of ₹ 10 each at the price of ₹ 1,050 per Equity Share from FTIL amounting to an aggregate consideration of ₹ 2,051,458,500.

Thereafter, our Company, FTIL and Citigroup entered into a deed of novation dated December 1, 2009 (the "**Novation Deed**") with Aginyx Enterprises Limited ("**AEL**") whereby the Citi SPA was novated in favour of AEL, with AEL replacing Citigroup as the purchaser in the Citi SPA. The Novation Deed provides that if our Company fails to file a red herring prospectus with SEBI within a period of six months from the date of the Novation Deed becoming effective, i.e. March 15, 2010 (the "**RHP Filing Date**"), subject to the Novation Deed becoming effective and our Company and FTIL receiving a notice in the form provided in the Novation Deed, our Company would initiate actions to amend the Articles within seven days of the RHP Filing Date, incorporating all the rights available to Citigroup under the Citi SPA except certain rights available to Citi under the Citi SPA which have been specifically excluded under the Novation Agreement, and hold the necessary Board and shareholders' meetings and make the necessary filings in this regard. The Novation Deed also requires that such actions be completed within a period of 45 days from the RHP Filing Date. AEL has by a letter dated November 4, 2011 extended the RHP Filing Date to March 31, 2012.

Share Purchase Agreement dated September 21, 2007 between Passport India Investment (Mauritius) Limited and FTIL

FTIL (the "**Seller**") has entered into a share purchase agreement with Passport India Investment (Mauritius) Limited (the "**Buyer**") Limited on September 21, 2007 (the "**PII SPA**"). In terms of the PII SPA, the Seller undertook to transfer to the Buyer 1,172,262 Equity Shares of ₹ 10 each (the "**Investor Shares**"), free and clear of all encumbrances, for the consideration (payable in US dollars) equivalent to ₹ 1,353,962,610, at a price of ₹ 1,155 per Equity Share. Further, as a condition precedent to the PII SPA, FTIL has provided a confirmation to the Buyer stating that if our Company issues any Equity Shares prior to its IPO (other than Equity Shares or rights in Equity Shares arising from an employee share option scheme operated by our Company) that would dilute the shareholding of the Buyer of 3% of the fully diluted equity share capital of our Company, the Buyer shall immediately be offered further Equity Shares in our Company by FTIL to restore the earlier shareholding of the Buyer.

Share Purchase Agreement dated September 27, 2007 between our Company, Merrill Lynch Holdings (Mauritius) and FTIL

FTIL entered into a share purchase agreement ("**ML SPA**") with Merrill Lynch Holdings (Mauritius) ("**ML**") and our Company on September 27, 2007 whereby ML purchased 1,953,770 Equity Shares of ₹ 10 each (the "**Purchase Shares**") at the price of ₹ 1,050 per Equity Share (the "**Purchase Price**") from FTIL amounting to an aggregate consideration of ₹ 2,051,458,500. In terms of the ML SPA and during the Special Rights Period (as mentioned below) our Company is not permitted to issue any Equity Shares (with the exception of the Equity Shares to be issued in connection with an IPO, or pursuant to the exercise of options outstanding under an ESOP Scheme), preference shares or any rights, options, warrants, debentures, securities, appreciation rights or instruments entitling the holder to receive any Equity Shares or any options to purchase or rights to subscribe to securities, by their terms convertible into, or exchangeable for, Equity Shares or any other securities which would dilute ML's shareholding in our Company.

Further, by a letter dated November 10, 2008, ML notified FTIL of the occurrence of a "put event" as defined under the ML SPA, upon the lapse of a period of three months from the long stop date (i.e., one year from the closing date of the ML SPA) pursuant to which our Company and FTIL were required under the ML SPA to provide ML an exit by procuring a third party purchaser for the Purchase Shares. FTIL, by letters dated December 24, 2008 and July 31, 2009, informed ML of prospective purchasers in respect of portions of the Purchase Shares. Subsequently, by a letter dated December 15, 2009, FTIL intimated ML that its obligations of finding an alternative purchaser under the ML SPA stood terminated, since ML had not responded to FTIL's earlier letters suggesting alternative purchasers for the Purchase Shares as required under the ML SPA.

Except for the termination, the confidentiality clause, representations and warranties clause, this agreement shall stand terminated on the date of completion of the IPO by our Company. All disputes regarding this agreement shall be settled by arbitration, the seat of arbitration being Mumbai. ML acknowledged that it entered into this agreement as a strategic investor and would not acquire control and management of our Company. The Special Rights Period as defined under the ML SPA is the period from the date of the ML SPA and the earlier of the completion of the proposed IPO of our Company or until ML ceases to hold any shares of our Company.

Share Purchase Agreement dated November 7, 2007 between our Company, ICICI Trusteeship Services Limited (ICICI Emerging Sectors Fund) and FTIL

FTIL entered into a share purchase agreement dated November 7, 2007 ("**ITSL SPA I**") with ICICI Trusteeship Services Limited (ICICI Emerging Sectors Fund) ("**ITSL**") and our Company whereby ITSL purchased 2,476,190 Equity Shares of ₹ 5 each (the "**Purchase Shares**") at the price of ₹ 525 per Equity Share from FTIL amounting to an aggregate consideration of ₹ 1,300,000,000.

ITSL had, by a letter from ICICI Venture Funds Management Company Limited ("**I-Ven**") dated January 6, 2009, called upon FTIL to arrange a sale of the Purchase Shares in terms of the ITSL SPA 1. By a letter dated January 19, 2009, FTIL responded to ITSL, clarifying that it had filed a red herring prospectus earlier which had been withdrawn, and providing certain options to ITSL to transfer portions of its holdings to prospective buyers.

Subsequently, by letters dated September 11, 2009 and December 1, 2009, FTIL noted that ITSL had opted to retain its shareholding in our Company. Further, by the letter dated December 1, 2009, FTIL intimated ITSL that its obligations of finding an alternative purchaser under the ITSL SPA 1 stood terminated, as ITSL had not accepted the alternative purchasers suggested by FTIL as required under the ITSL SPA 1.

This agreement shall stand terminated on the date of completion of the IPO by our Company. The termination, the confidentiality clause, representations and warranties clause shall survive after termination.

Share Purchase Agreement dated November 7, 2007 between our Company, New Vernon Private Equity Limited and FTIL

FTIL entered into a share purchase agreement ("**NVPEL SPA I**") with New Vernon Private Equity Limited ("**NVPEL**") and our Company on November 7, 2007 whereby NVPEL purchased 781,508 Equity Shares of ₹ 5 each at the price of ₹ 577.50 per Equity Share from FTIL amounting to an aggregate consideration of ₹ 451,320,870. In terms of the NVPEL SPA I, if our Company issues any form of Equity Shares prior to its IPO (other than any Equity Shares or rights in Equity Shares of our Company arising from an employee share option scheme operated by our Company for the benefit of its employees) from time to time, that would ultimately have the effect of diluting NVPEL's holding of 1% of the fully diluted equity share capital of our Company at any time up to the IPO of our Company, NVEPL shall immediately be offered further Equity Shares in our Company by FTIL, sufficient to restore NVEPL's holding of the fully diluted Equity Share capital of our Company ("**Future Transaction**"). The price for the Equity Shares offered to NVEPL under each such future transaction shall be the price at which such Equity Shares are sold as part of each such future transaction as offered to the new purchaser(s) in such future transactions, all such Future Transaction being transactions after the date of execution of this agreement and prior to Company's IPO.

This agreement shall stand terminated on the date of completion of the IPO by our Company. The confidentiality clause and the representations and warranties clause shall survive for a period of one year from the date of completion of our Company's IPO.

Share Purchase Agreement dated November 12, 2007 between our Company, IL&FS Trust Company Limited (SCB Asian Infrastructure Fund) and FTIL

FTIL has entered into a Share Purchase Agreement ("**ITCL SPA**") with IL&FS Trust Company Limited (SCB Asian Infrastructure Fund) ("**IL&FS**") and our Company on November 12, 2007 whereby IL&FS purchased 3,907,540 Equity Shares of ₹ 5 each from FTIL at the price of ₹ 525 per Equity Share amounting to an aggregate consideration of ₹ 2,051,458,500.

In terms of the ITCL SSA, IL&FS has been granted certain rights during the Special Rights Period (as mentioned below) such as:

- our Company shall not issue any Equity Shares (except Equity Shares to be issued in connection with the IPO of our Company or pursuant to an employee stock option scheme) preference shares, warrants, rights, options, debentures, appreciation rights or instruments or any securities (excluding options pursuant to ESOP) which would have the effect of diluting IL&FS' investment in our Company.

- our Company shall keep IL&FS informed about the process and progress of the IPO of our Company and provide copies of documents filed with the SEBI and responses received, deliver to IL&FS copies of reports filed by the Company or the Promoter, with any relevant security exchange of government authority, as may be requested by IL&FS and shall grant IL&FS the right to inspect the facilities, records and books of our Company, as well as to discuss their operations and business with the Directors and employees.

The Special Rights Period as defined under the ITCL SPA is the period commencing from the closing date (as defined under the ITCL SPA) till the completion of the IPO of our Company. Accordingly, the Special Rights Period will expire on the completion of this Offer.

Share Purchase Agreement dated November 15, 2007 between our Company, ICICI Lombard General Insurance Company Limited and FTIL

FTIL entered into a share purchase agreement ("**Lombard SPA**") with ICICI Lombard General Insurance Company Limited ("**Lombard**") and our Company on November 15, 2007 whereby Lombard purchased 296,000 Equity Shares of ₹ 5 each at the price of ₹ 525 per Equity Share from FTIL amounting to an aggregate consideration of ₹ 155,400,000.

This agreement shall stand terminated on the date of completion of the IPO by our Company. The confidentiality clause and the representations and warranties clause shall survive after termination.

Share Purchase Agreement dated November 29, 2007 between our Company, Alexandra Mauritius Limited and FTIL

Our Company entered into a tripartite share purchase agreement ("**AML SPA**") with Alexandra Mauritius Limited ("**AML**") and FTIL on November 29, 2007 where AML purchased 781,508 Equity Shares at a price of ₹ 577.50 per Equity Share of ₹ 5 each from FTIL amounting to an aggregate consideration of ₹ 451,320,870. Further, as a condition precedent to the AML SPA, FTIL has provided a confirmation to AML stating that if our Company issues any Equity Shares prior to its IPO (other than Equity Shares or rights in Equity Shares arising from an employee share option scheme operated by our Company) that would dilute the shareholding of AML of 1% of the fully diluted equity share capital of our Company, AML shall immediately be offered further Equity Shares in our Company by FTIL to restore the earlier shareholding of AML.

The AML SPA will stand terminated once the 781,508 Equity Shares have been received by AML and the consideration for the same has been credited to FTIL's designated bank account. However the clauses regarding confidentiality and lock in as well as the representation and warranties will survive for a period of one year from the date of completion of our Company's IPO.

The AML SPA is governed by Indian Law and all disputes are required to be resolved according to the provisions of the Indian Arbitration and Conciliation Act, 1996.

Share Purchase Agreement dated December 11, 2007 between Kotak Mahindra Trusteeship Services Limited and FTIL

FTIL has entered into a share purchase agreement with Kotak Mahindra Trusteeship Services Limited ("**Kotak**") on December 11, 2007 (the "**Kotak SPA**"). In terms of the Kotak SPA, FTIL undertook to transfer to Kotak 781,508 Equity Shares of ₹ 5 each (the "**Investor Shares**"), free and clear of all encumbrances, for the consideration of ₹ 451,320,870, calculated at a price of ₹ 577.50 per Equity Share. In terms of the Kotak SPA, the consideration was required to be paid in two tranches, of ₹ 300,877,500 and of ₹ 150,443,370. Further, as a condition precedent to the Kotak SPA, FTIL has provided a confirmation to Kotak stating that if our Company issues any Equity Shares prior to its IPO (other than Equity Shares or rights in Equity Shares arising from an employee share option scheme operated by our Company) that would dilute the shareholding of Kotak of 1% of the fully diluted equity share capital of our Company, Kotak shall immediately be offered further Equity Shares in our Company by FTIL to restore the earlier shareholding of Kotak.

Share Purchase Agreement dated March 24, 2008 between our Company, NYSE EURONEXT and FTIL

FTIL entered into a Share Purchase Agreement ("**NYSE SPA**") with NYSE EURONEXT ("**NYSE**") and our Company on March 24, 2008 whereby NYSE through an affiliate purchased 3,907,540 Equity Shares of ₹ 5 each at the price of ₹ 559.21 per Equity Share from FTIL amounting to an aggregate consideration of USD 55,000,000. In terms of the NYSE SPA and during the Special Rights Period (as mentioned below) our Company shall not without the prior written consent of NYSE, issue any Equity Shares, preference shares or any rights, options, warrants, debentures, securities, appreciation rights or instruments entitling the holder to receive any Equity Shares or any options to purchase or rights to subscribe to securities, by their terms convertible into, or exchangeable for, Equity Shares or any other securities which would have an actual or potential dilutive effect on NYSE shareholding in our Company. However, the consent of NYSE shall not be required for any securities to be issued in connection with the proposed IPO and/or in relation to the ESOP 2006 and the ESOP 2008. The representations and warranties clause, indemnification, confidentiality clause, notices and governing law, jurisdiction and dispute resolution clause shall survive the termination of the NYSE SPA. All disputes regarding this agreement shall be settled by arbitration, the seat of arbitration being Singapore in accordance with the rules of the United Nations Commission on International Trade Law Arbitration. The Special Rights Period as defined under the NYSE SPA is the period commencing from February 15, 2008 upto and including the date of consummation of the IPO of our Company.

Further FTIL, our Company, NYSE Euronext and Euronext N.V entered into a novation agreement dated June 21, 2008 wherein Euronext N.V an affiliate of NYSE Euronext would assume with the rights and obligations of NYSE Euronext under the above Share Purchase Agreement dated March 24, 2008.

Share purchase agreement dated May 13, 2009 between our Company, ICICI Trusteeship Services Limited, FTIL and Bennett, Coleman and Company Limited

We have entered into a share purchase agreement ("**ITSL SPA**") on May 13, 2009 with ICICI Trusteeship Services Limited acting in its capacity as trustee of ICICI Emerging Sectors Fund acting through its investment manager ICICI Venture Funds Management Company Limited (the "**Seller**"), FTIL and Bennett, Coleman and Company Limited (the "**Purchaser**") whereby the Purchaser has agreed to purchase 317,500 Equity Shares of face value ₹ 5 each in our Company (the "**Purchase Shares**") from the Seller at a purchase price of ₹ 525 per Equity Share ("**Purchase Price**") aggregating to approximately ₹ 166.69 million. In terms of the ITSL SPA, our Company and FTIL have jointly covenanted that we shall make reasonable endeavours to cause the IPO of our Company within a period of three years from the date of the ITSL SPA in accordance with the applicable laws. Our Company and FTIL have further covenanted that at the time of the IPO our Company shall disclose the material terms of this agreement in the offer document. The ITSL SPA provides that in the event the allotment of Equity Shares under the proposed IPO is done at a price lower than the Purchase Price, it shall be deemed that the valuation of the Purchase Shares at the Purchase Price was higher than the actual value of the Purchase Shares, and the Promoter shall compensate the Purchaser of an amount equivalent to the multiple of the Purchase Shares and the difference between the Purchase Price and price at which Equity Shares are allotted in the IPO, within 90 days of the date of listing of the Equity

Shares of our Company on the BSE and/or NSE. In the event the proposed IPO is not completed within three years from the date of the ITSL SPA, then FTIL shall use its best efforts to arrange a sale of the Purchase Shares, no later than 90 days from the date of the ITSL SPA or any period as may be mutually agreed from the IPO Date to a buyer(s) at a price not lower than the Purchase Price. In case the amount paid by the buyer(s) is less than the Purchase Price, FTIL shall compensate the Purchaser by way of refunding the difference in price paid by the buyer and the Purchase Price.

Further, the ITSL SPA states that our Company and its Promoter shall not provide any new or potential purchaser, desirous of making an investment in the Equity Shares of our Company, with (a) a purchase or investment price per Equity Share, which is less than the price of an Equity Share as agreed under ITSL SPA; and (b) rights which are more favourable than those granted to the Purchaser under this agreement, including without limitation, rights relating to voting and entitlement to dividend.

The agreement may be terminated by mutual written consent of the Purchaser and Seller or by either the Purchaser or the Seller, or by either the Purchaser in the event of material breach of the agreement by the Company, FTIL or Seller or by the Company, FTIL or Seller in the event of material breach of the agreement by the Purchaser. The clauses of the ITSL SPA relating to representations and warranties, indemnification, confidentiality, notices, governing law and jurisdiction and dispute resolution shall survive the termination of the ITSL SPA.

The agreement is governed by the laws of India and jurisdiction is conferred on the courts in New Delhi. In the event of any disputes, the parties are required to refer the same to senior management for mediation and upon failure of the mediation process, arbitration proceedings may be invoked by the aggrieved party as per the terms of the ITSL SPA. The seat of arbitration shall be New Delhi and the proceedings shall be conducted in accordance with the Arbitration and Conciliation Act, 1996.

Share Purchase Agreement dated March 29, 2010 between Edelweiss, Brand Equity Treaties Limited ("BE"), our Company and FTIL (the "Edel-BE SPA")

We have entered into the Edel-BE SPA whereby BE agreed to purchase 652,562 Equity Shares (the "**Purchase Shares**") from Edelweiss for the price of ₹ 612 per Equity Share of ₹ 5 each (the "**Purchase Price**") aggregating to ₹ 399,367,944. In terms of the Edel-BE SPA, our Company and FTIL have jointly and severally covenanted to use reasonable endeavours to cause the initial public offering of our Company within a period of three years from the date of the Edel-BE SPA (the "**IPO Date**"). Further, in the event the allotment of the Equity Shares under the proposed IPO is done at a price lower than the Purchase Price, then it shall be deemed that the valuation of the Purchase Shares at the Purchase Price was higher than the actual value of the Purchase Shares, and FTIL shall compensate BE by an amount equivalent to the multiple of the Purchase Shares and the differential between the Purchase Price and the Offer Price, within 90 days of the date of listing of the Equity Shares on the BSE and/or the NSE. Additionally, during the period between the date of the Edel-BE SPA and the date of listing of the Equity Shares on the NSE and/or the BSE (the "**Special Rights Period**"), our Company and FTIL shall keep BE informed as to the process and progress of the proposed IPO and deliver to BE copies of any and all reports filed by our Company (or any subsidiary, if any) or FTIL, with any relevant securities exchange, or governmental authority, as may be requested by BE from time to time. In the event the proposed IPO is not completed prior to the IPO Date, FTIL shall use its best efforts to arrange a sale of the Purchase Shares to a purchaser at a price no lower than the Purchase Price, at a date no later than 90 days from the IPO Date or as mutually agreed. In case the amount paid by such purchaser is less than the Purchase Price, FTIL shall compensate BE by refunding the difference the in price paid by such purchaser and the Purchase Price.

The agreement may be terminated by mutual written consent of Edelweiss and BE. The Edel-BE SPA may also be terminated by BE in the event of material breach of the agreement by our Company, FTIL or Edelweiss, or by our Company, FTIL or Edelweiss, in the event of material breach of the agreement by BE. The Edel-BE SPA shall automatically cease to have effect upon the listing of the Equity Shares of our Company in an IPO.

The agreement is governed by the laws of India and jurisdiction is conferred on the courts in New Delhi. In the event of any disputes, the parties are required to engage in negotiation and upon failure of the negotiation process, arbitration proceedings may be invoked as per the terms of the Edel-BE SPA. The seat of arbitration shall be New

Delhi and the proceedings shall be conducted in English in accordance with the Arbitration and Conciliation Act, 1996.

Share Purchase Agreement dated March 30, 2010 between Edelweiss, HT Media Limited ("HT"), our Company and FTIL (the "Edel HT SPA")

We have entered into the Edel HT SPA whereby HT agreed to purchase 163,388 Equity Shares (the "**Purchase Shares**") from Edelweiss for the price of ₹ 612 per Equity Share of ₹ 5 each (the "**Purchase Price**") aggregating to ₹ 99,993,456. In terms of the Edel HT SPA, our Company and FTIL have jointly and severally covenanted to use reasonable endeavours to cause the initial public offering of our Company (which shall include an offer for sale of all or part of the Equity Shares of our Company held by HT) within a period of 36 months from the date of the Edel HT SPA (the "**IPO Date**"). Further, in the event our Company issues any further Equity Shares prior to the allotment of the Equity Shares under the proposed IPO (a "**Fresh Offering**") at a price lower than the Purchase Price, then FTIL shall, within 90 days of allotment pursuant to the Fresh Offering at such lower price, compensate HT by an amount equivalent to the multiple of the Purchase Shares and the differential between the Purchase Price and the price at which the Equity Shares are allotted in the Fresh Offering. Additionally, during the period between the date of the Edel-HT SPA and the date of listing of the Equity Shares on the NSE and/or the BSE (the "**Special Rights Period**"), our Company and FTIL shall keep HT informed as to the process and progress of the proposed IPO and deliver to HT copies of any and all reports filed by our Company (or any subsidiary, if any) or FTIL, with any relevant securities exchange, or governmental authority, as may be requested by HT from time to time.

Either party to the Edel HT SPA may terminate the agreement at any time in the event of a breach by the other party (the "**Defaulting Party**") of its material representations, warranties, covenants or other oligations under this agreement which breach or failure, if capable of cure or remedy, has not been cured or remedied by the Defaulting Party within 14 days of the receipt of written notice of such breach or failure from the non-Defaulting Party.

The agreement is governed by the laws of India and jurisdiction is conferred on the courts in Mumbai. In the event of any disputes, the parties are required to engage in negotiation and upon failure of the negotiation process, arbitration proceedings may be invoked as per the terms of the Edel HT SPA. The seat of arbitration shall be New Delhi and the proceedings shall be conducted in English in accordance with the Arbitration and Conciliation Act, 1996.

In addition to the Edel-HT SPA, FTIL has, in a letter dated April 1, 2010 to HT, undertaken that in the event the proposed IPO is not completed on or before 36 months from the date of the Edel-HT SPA, or no trade sale occurs, HT shall have a right to cause FTIL to arrange a sale of the Purchase Shares to a purchaser (whether by way of private negotiation or by way of offer of sale by an investment/merchant banker) at a price no lower than the Purchase Price. In case the amount paid by such purchaser is less than the Purchase Price, FTIL shall compensate HT by refunding the difference in the price paid by such purchaser and the Purchase Price. At the exercise of the option by HT, FTIL shall cause the sale and purchase of the shares to be completed within 90 days. However, in the event any consents or approvals from governmental authorities are required to be obtained, the period of 90 days shall be computed from the receipt of the consents or approvals from the governmental authorities

Advertising Agreement dated May 15, 2009 between our Company and Brand Equity Treaties Limited

Our Company entered into an Advertising Agreement ("**AA**") with Brand Equity Treaties Limited ("**BETL**"), a wholly owned subsidiary of Bennett, Coleman and Company Limited ("**BCCL**") on May 15, 2009 whereby our Company has agreed, on a non-exclusive basis, to advertise the products, services and brands owned exclusively by us in newspapers published and/or distributed by BCCL and (the "**Print Publications**") the non-print media specified in the AA (the "**Non Print Media**"), being the internet portal Indiatimes.com, television channels Zoom TV, Times Now and ET Now, Medianet initiatives and the FM radio channel Radio Mirchi (collectively referred to as the "**Media**") in accordance with the applicable policies. Under the AA, our Company has committed to place advertisements of total value of ₹ 250 million (net of agency commission) (the "**Total Commitment**") in the Media, primarily for the release of advertisements in the Print Publications, with our Company being entitled to use a sum of up to ₹ 75 million out of the Total Commitment towards the release of advertisements in the non-print media over a period of three years commencing from April 1, 2009. Up to 20% of the Total Commitment may be utilised by our Company for FTIL, and 20% of the Total Commitment may be utilised for co-branded products. The Company and FTIL (including its subsidiaries) have mutually agreed that the cost for utilising the advertising space for FTIL (including its subsidiaries) in the specified media under this agreement will be reimbursed to the Company by FTIL. In terms of the AA, our Company was required to pay a sum of ₹ 166.7 million ("**Down Payment**") within three days from the date of the AA. Further, 67% of the value of the advertisements released by our Company in the Media shall be adjusted out of the Down Payment, and the remainder 33% shall be paid by our Company to BETL or the relevant entity through which the Non Print Media is offered. Our Company is not entitled to any refunds from such payment. Further, the rates at which such advertisements shall be offered shall be according to the extant policies of the specific Print Publications, or shall be negotiated with the specific Non Print Media respectively.

The term of the AA is a period of three years from the date of commencement of the AA (i.e., April 1, 2009), unless terminated earlier by either party. Either party may terminate the AA in case of a breach by the other party unless such breach is cured or remedied by the other party within sixty days of the receipt of written notice of such breach or failure. The AA is governed by the laws of India and provides for dispute resolution by way of amicable negotiations between the parties and if the dispute cannot be settled within 30 days, by arbitration by a panel of three arbitrators under the Arbitration and Conciliation Act, 1996. The arbitration proceedings will be held in the English language at New Delhi.

Advertising agreement dated March 29, 2010 between our Company and Brand Equity Treaties Limited ("**Ad Agreement**")

Our Company has entered into the Ad Agreement with Brand Equity Treaties Limited ("**BETL**"), a wholly owned subsidiary of Bennett, Coleman and Company Limited ("**BCCL**") whereby our Company has agreed, on a non-exclusive basis, to advertise the products, services and brands owned and exclusively used by our Company, FTIL, their subsidiaries as mentioned in the Ad Agreement and MCX Stock Exchange Limited in newspapers published and/or distributed by BCCL and (the "**Print Publications**") the non-print media specified in the Ad Agreement (the "**Non Print Media**"), being the internet portal Indiatimes.com, television channels Zoom Entertainment Network Limited, Times Now and ET Now, Medianet initiatives, the FM radio channel Radio Mirchi and magazines published and/or marketed through the World Wide Media Limited (collectively referred to as the "**Media**") in accordance with the applicable policies. Under the Ad Agreement, our Company has committed to place advertisements of total value of ₹ 600 million (net of agency commission) (the "**Total Commitment**") in the Media. Our Company is entitled to use up to 20% of the Total Commitment towards the release of advertisements in the non-print media. Up to 10% of the Total Commitment may be utilised by our Company for advertisements of FTIL and its subsidiaries, and not more than 20% of the Total Commitment may be utilised for co-branded products. In terms of the Ad Agreement, our Company was required to pay a sum of ₹ 400 million ("**Down Payment**") within three days from the date of the Ad Agreement. Further, two thirds of the value of the advertisements released by our Company in the Media shall be adjusted out of the Down Payment, and the remaining one third shall be paid by our Company to BETL or the relevant entity through which the Non Print Media is offered. Further, the rates at which such advertisements shall be offered shall be according to the extant policies of the specific Print Publications, or shall be negotiated with the specific Non Print Media respectively.

The term of the Ad Agreement is a period of four years from the date of commencement of the Ad Agreement (i.e., April 1, 2010), unless terminated earlier by either party. Either party may terminate the Ad Agreement in case of a breach by the other party unless such breach is cured or remedied by the other party within sixty days of the receipt of written notice of such breach or failure. The Ad Agreement is governed by the laws of India and provides for dispute resolution by way of amicable negotiations between the parties and if the dispute cannot be settled within 30 days, by arbitration by a panel of three arbitrators under the Arbitration and Conciliation Act, 1996. The arbitration proceedings will be held in the English language at New Delhi.

Advertising agreement dated March 30, 2010 between our Company and HT Media Limited (the "HT AA")

Our Company has entered into the HT AA with HT Media Limited ("**HT**") whereby our Company has agreed to advertise on a non-exclusive basis the products, services and brands used by our Company, our group companies and subsidiaries in accordance with HT's extant policies. Under the HT AA, our Company has committed to place advertisements of total value of ₹ 100 million on net billing basis (the "**Total Commitment**") in the newspapers, journals, magazines, books and other literary works present and future published and/or marketed by the HT Group (the "**HT Print Publications**") and activities of the HT Group in non-print media through the internet (Hindustantimes.com), events and radio channel (Fever104) ("**HT Non-Print Media**", and together with the HT Print Publications, "**HT Media**") during the term of the HT AA. Our Company was required to make payment of the Total Commitment within seven business days of the date of execution of the HT AA. The rates at which such advertisements shall be offered shall be according to the extant policies of the specific HT Print Publication, or shall be negotiated with the specific HT Non Print Media respectively.

The term of the HT AA is a period of five years from the date of commencement of the HT AA (i.e., March 30, 2010), unless terminated earlier by either party. Either party may terminate the HT AA in case of a breach by the other party unless such breach is cured or remedied by the other party within sixty days of the receipt of written notice of such breach or failure. The HT AA is governed by the laws of India and provides for dispute resolution by way of amicable negotiations between the parties and if the dispute cannot be settled within 30 days, by arbitration by a panel of three arbitrators under the Arbitration and Conciliation Act, 1996. The arbitration proceedings will be held in the English language at New Delhi.

Scheme of Reduction of Capital of MCX Stock Exchange Limited

MCX Stock Exchange Limited ("**MCX-SX**") has implemented a scheme of reduction of capital (the "**Scheme**") with the approval of the Bombay High Court by an order dated March 12, 2010 under the applicable provisions of the Companies Act in connection with reduction and cancellation of 1,196,630,000 equity shares of Re. 1 each of MCX-SX and adjustment of the consideration of reduction by allotment of equal number of warrants to the shareholders of MCX-SX. The warrants are also freely transferable by endorsement and delivery and do not carry voting or dividend rights. The Company cannot increase, at any point of time, their shareholding in MCX-SX beyond permissible limits under MIMPS Regulations. For further details, see the sections titled "Other Companies" and "Management's Discussion and Ananlysis of Financial Condition and Results of Operation" on pages 241 and 365, respectively.

Strategic Partnerships

Our Company has formed strategic alliances in India with the National Bulk Handling Corporation Limited, FT Knowledge Management Company Limited, Dall & Besan Millers Association, Solvent Extractors' Association of India, Bombay Metal Exchange, Weather Risk Management Services Private Limited and Ekgaon Technologies and internationally with the London Metal Exchange, the New York Mercantile Exchange, Shanghai Futures Exchange, LIFFE Administrative and Management, UK (under renewal), the Baltic Exchange Limited and Taiwan Futures Exchange. These alliances facilitate the sharing of information across regional and global exchanges, enabling our Company to penetrate new markets, enhance its product offerings and increase its market presence. For further details, see section titled "Our Business" on page 132.

Financial Partnerships

As on the date of this Red Herring Prospectus, our Company has not entered into any financial partnerships with other entities.

OUR SUBSIDIARIES

Our Company has two Subsidiaries, MCXCCL and SME. None of the Subsidiaries have made any public or rights issues in the last three years, nor become a sick company under the meaning of SICA. Further, none of the Subsidiaries is under winding up or listed on any stock exchange in India. None of our subsidiaries contribute to more than 5% of revenue/profits/assets of the Company on a consolidated basis for the fiscal 2011 and nine months period ended December 31, 2011.

Unless otherwise specified, the information provided in this section is as of the date of this Red Herring Prospectus.

Interest of the Subsidiaries in our Company

None of the Subsidiaries hold any Equity Shares in the Company. For details of the transactions between the Company and the Subsidiaries, see section titled "Related Party Transactions" on page 245.

Common Pursuits

The Subsidiaries do not have any interest in any venture that is involved in any activities similar to those conducted by the Company. The Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

Details of the Subsidiaries

1. Multi Commodity Exchange Clearing Corporation Limited

Multi Commodity Exchange Clearing Corporation Limited ("**MCXCCL**") was incorporated on August 1, 2008 under the Companies Act. The registered office of MCXCCL is located at Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai 400 093.

Principal Business

MCXCCL's main business is, *inter alia*, to facilitate, set up and carry on the business of clearing and settlement of commodity and commodity derivatives and other commodities and instruments of all kinds and to initiate, facilitate, promote, assist, undertake and manage all activities in relation to commodity exchanges, commodity derivatives exchanges, commodity markets, securities, currencies, warehouse, custodial and depository services.

Capital Structure

	No. of equity shares of ₹ 10 each
Authorised capital	10,000,000
Issued, subscribed and paid-up capital	6,000,000

Shareholding of our Company

MCXCCL is a wholly owned subsidiary of our Company.

2. SME Exchange of India Limited

SME Exchange of India Limited ("**SME**") was incorporated on September 14, 2010 under the Companies Act. The registered office of SME is located at Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai 400 093.

Principal Business

SME's main business is to establish, operate, maintain and manage facilities in India and abroad enabling the members, their authorised agents and constituents and other participants to transact, clear and settle trades done on all the segments especially for small and medium enterprises segment, in cash, spot, ready, swaps, forward, futures and options markets for providing accessibility to the markets and support services to various members.

Capital Structure

	No. of equity shares of ₹ 10 each
Authorised capital	100,000
Issued, subscribed and paid-up capital	100,000

Shareholding of our Company

Our Company (alongwith its nominees) has subscribed to 51,000 equity shares of the face value of ₹ 10 of SME constituting 51% of its equity share capital. Our Company has received approval from FMC by letter dated September 12, 2011 for an initial investment of ₹ 510,000 in SME.

OUR MANAGEMENT

Board of Directors

As per our Articles, our Board of Directors shall consist of not more than 18 directors inclusive of Government of India / FMC nominees and independent directors in public interest as specified /directed by FMC in its directives/circulars/guidelines from time to time. The following table sets forth details regarding our Board of Directors as of the date of filing this Red Herring Prospectus with RoC:

Sr. No.	Name, Designation, Father's Name, Address, Occupation and DIN	Age (years)	Date of Appointment and Term	Other Directorships
1.	**Venkat Chary[1]** **Chairman, Non-Executive Independent Director** S/o Late Rajgopal Chary Tahiti, Flat 5, 3rd Floor Juhu Versova Link Road Near Four Bungalows Andheri (West) Mumbai 400 053 *Advocate* DIN No: 00273036	71	September 6, 2003 (Liable to retire by rotation)	1. Indian Energy Exchange Limited; and 2. Global Board of Trade Limited (Mauritius).
2.	**Jignesh P. Shah** **Vice Chairman, Non-Executive Non-Independent Director** S/o Prakash B. Shah R-Square, CTS no.547 Plot no.29, Jai Hind Society N. S. Road no.12 JVPD Scheme Vile Parle (West) Mumbai 400 049 *Industrialist* DIN No: 00064913	45	May 8, 2003 (Designated as Vice Chairman with effect from April 1, 2008) (Not liable to retire by rotation)	1. FTIL; 2. MCX Stock Exchange Limited; 3. National Spot Exchange Limited; 4. National Bulk Handling Corporation Limited; 5. Indian Energy Exchange Limited; 6. La-Fin Financial Services Private Limited; 7. Global Board of Trade Limited (Mauritius); 8. Dubai Gold and Commodities Exchange DMCC; 9. Singapore Mercantile Exchange Pte. Limited; 10. Singapore Mercantile Exchange Clearing Corporation Pte. Limited; 11. Financial Technologies Singapore Pte. Limited; 12. Bourse Africa Limited; 13. Bahrain Financial Exchange BSC (Closed); and

Sr. No.	Name, Designation, Father's Name, Address, Occupation and DIN	Age (years)	Date of Appointment and Term	Other Directorships
				14. BFX Clearing and Depository Corporation BSC (Closed).
3.	**V. Hariharan** **Non-Executive Non-Independent Director** S/o Vaidyalinga Sharma Flat no. 1001, 10th floor, Satguru Paman, 15th road, Bandra (West) Mumbai 400 050 *Service* DIN No: 00064867	52	April 19, 2002 (Liable to retire by rotation)	1. Singapore Mercantile Exchange Pte. Limited; 2. Singapore Mercantile Exchange Clearing Corporation Pte Limited; and 3. Financial Technologies Singapore Pte Limited.
4.	**Joseph Massey** **Non-Executive Non-Independent Director** S/o Daniel Massey 702, C Wing, Trans Residency No. 1, MIDC, SEEPZ, Off Mahakali Caves Road, Andheri (East), Mumbai 400 093 *Service* DIN No: 00043586	50	May 8, 2003 (Designated as a Non-Executive Director with effect from June 1, 2009) (Liable to retire by rotation)	1. National Spot Exchange Limited; 2. Dubai Gold and Commodities Exchange DMCC; 3. Singapore Mercantile Exchange Pte. Limited; 4. Singapore Mercantile Exchange Clearing Corporation Pte. Limited; 5. Indian Energy Exchange Limited; 6. FT Knowledge Management Company Limited; 7. MCX Stock Exchange Limited; 8. MCX-SX Clearing Corporation Limited; 9. Multi Commodity Exchange Clearing Corporation Limited; 10. Bahrain Financial Exchange BSC Closed; 11. BFX Clearing and Depository Corporation BSCC; and 12. SME Exchange of India Limited.
5.	**Lambertus Rutten**[2] **Managing Director and CEO**	49	June 15, 2006 (Designated as	1. Bahrain Financial Exchange BSC Closed; 2. Bourse Africa Limited;

Sr. No.	Name, Designation, Father's Name, Address, Occupation and DIN	Age (years)	Date of Appointment and Term	Other Directorships
	S/o Henricus Rutten Flat No. 1201 and 1202, 12th Floor, Raheja Sherwood C.H.S Limited Goregaon (East) Mumbai 400 063 *Service* DIN No: 00384169		Managing Director and CEO for three years with effect from July 1, 2009) [2]	3. Swiss Futures & Options Association; and 4. BFX Clearing and Depository Corporation BSCC.
6.	**P.G. Kakodkar** **Non-Executive Non-Independent Director** S/o Ghansham Kakodkar Flat No. 1001, Brooke Ville Opposite Bafna Society Moghul Lane Mahim Mumbai 400 016 *Retired Bank Executive* DIN No: 00027669	74	April 1, 2005 (Liable to retire by rotation)	1. FTIL; 2. Apian Finance & Investment Limited; 3. Goa Carbon Limited; 4. Fomento Resorts & Hotels Limited; 5. Uttam Galva Steels Limited; and 6. Accounts Receivables Management Services (India) Limited.
7.	**Paras Ajmera[3]** **Non-Executive Non-Independent Director** S/o Kishor Kumar Ajmera 501, 5th Floor, Sanskruti , North South Road No.9, Plot No. 79 Hatkesh CHS Ltd., JVPD Scheme Vile Parle (West) Mumbai 400 056 *Service* DIN No.: 01381915	39	August 1, 2008 (Liable to retire by rotation)	1. MCX-SX Clearing Corporation Limited; 2. Grameen Pragati Foundation; 3. Takshashila Academia of Economic Research Limited; 4. National Bulk Handling Corporation Limited; 5. Boursa India Limited; 6. Knowledge Assets Private Limited (Mauritius); 7. FT Group Investment Private Limited (Mauritius); 8. FT Projects Limited; and 9. SME Exchange of India Limited.
8.	**C.M. Maniar[1]** **Non-Executive Independent Director**	76	September 29, 2003 (Liable to retire by rotation)	1. Amsar Private Limited; 2. Foods and Inns Limited; 3. Godfrey Phillips India Limited;

Sr. No.	Name, Designation, Father's Name, Address, Occupation and DIN	Age (years)	Date of Appointment and Term	Other Directorships
	S/o Manbhai Maniar Garden House, Dadyseth Second Cross Lane Chowpatty Bandstand Mumbai 400 007 *Advocate* DIN No: 00034121			4. Gujarat Ambuja Exports Limited; 5. Hindalco Industries Limited; 6. Indo Euro Investment Company Private Limited; 7. The Indian Card Clothing Company Limited; 8. Northpoint Training and Research Private Limited; 9. Pioneer Investcorp Limited; 10. Sudal Industries Limited; 11. TCPL Packaging Limited; 12. Varun Shipping Company Limited; 13. Vadilal Industries Limited; 14. MCX Stock Exchange Limited; 15. FTIL; and 16. Utkal Alumina International Limited.
9.	**Shvetal S. Vakil[1]** **Non-Executive Independent Director** S/o Shatrughna Vakil 17, Dariya Mahal no. 3 80 Nepean Sea Road, Malabar Hills, Mumbai 400 006 *Service* DIN No: 00140956	60	October 3, 2003 (Liable to retire by rotation)	1. Setco Automotive Limited; 2. Setco Automotive (NA) Inc.; 3. TransStadia Technologies Private Limited; 4. TransStadia Hospitality Private Limited; 5. TransStadia (Ahmedabad) Private Limited; and 6. Trans Stadia Boxing India Private Limited.
10.	**Usha Suresh[4]** **Non-Executive Independent Director** D/o Malur Duraiswamy Krishnan 48, 4th Floor Hyderabad Estate, C Block Nepean Sea Road Mumbai 400 026 *Service* DIN: 03433552	50	February 14, 2011 (Appointed by FMC till March 31, 2012)	None

Sr. No.	Name, Designation, Father's Name, Address, Occupation and DIN	Age (years)	Date of Appointment and Term	Other Directorships
11.	**R.M. Premkumar** [4] **Non-Executive Independent Director** S/o Ramunni Menon 101, Praneet, CHS Limited Dr. Jayant Palkar Marg Worli Mumbai 400 030 *Retired, Indian Administrative Service Officer* DIN No.: 00328942	66	August 10, 2009 (Appointed by FMC till March 31, 2014)	1. Afcons Infrastructure Limited; 2. Fine-Line Circuits Limited; 3. Pipavav Defence and Offshore Engineering Company Limited; 4. Rama Cylinders Private Limited; 5. SICOM Limited; 6. NTPC BHEL Power Project Private Limited; 7. Lanco Vidarbha Thermal Power Limited; and 8. Sumer Energy Private Limited.
12.	**K.T. Chacko**[4] **Non-Executive Independent Director** S/o Kayyalathu Itty Ipe Thomas C-II/17 Senior Officers Colony Tilak Lane New Delhi 110 001 *Director, Indian Institute of Foreign Trade* DIN No: 02446168	65	May 29, 2010 (Appointed by FMC till March 31, 2012)	National Centre for Trade Information
13.	**Ashima Goyal**[4] **Non-Executive Independent Director** D/o Pran Nath Trikha Quarter no. B/4, "IGIDR" Gen. A. K. Vaidya Marg Goregaon (East) Mumbai 400 065 *Professor* DIN No: 00233635	56	May 29, 2010 (Appointed by FMC till March 31, 2012)	1. MCX-SX Clearing Corporation Limited; 2. Cynergy Creators Private Limited; and 3. MCX Stock Exchange Limited.
14.	**P. Satish**[5] **Non-Executive Independent Director**	54	December 28, 2011 (Liable to retire by rotation)	None

Sr. No.	Name, Designation, Father's Name, Address, Occupation and DIN	Age (years)	Date of Appointment and Term	Other Directorships
	S/o Venugopal Rao Pillarisetti B-22/23, Krishi Vikas Sadan Veer Savarkar Marg Dadar (West) Mumbai 400 028 *Bank Executive* DIN No: 00194258			
15.	**K. Venugopal**[6] **Non-Executive Non-Independent Director** S/o Pallath Narayana Menon B2/6B Harbour heights N.A. Sawant Marg Colaba Mumbai 400 005 *Bank Executive* DIN No: 05151613	57	January 10, 2012 (Liable to retire by rotation)	1. Gujarat State Energy Generation Limited.

1. *Venkat Chary, C.M. Maniar and Shvetal S. Vakil have been appointed as independent directors, approved by the FMC till March 31, 2014.*
2. *Lambertus Rutten has been appointed as the Managing Director and CEO of our Company with effect from July 1, 2009 for a period of three years. Our Company has received the approval of the FMC and the Ministry of Corporate Affairs for his appointment. For details, see section titled "Licenses and Approvals" on page 406.*
3. *Paras Ajmera is a nominee Director appointed by FTIL.*
4. *Usha Suresh has been appointed as a Director to represent Central Government and R.M. Premkumar, K.T. Chacko and Ashima Goyal are nominee Directors approved by the FMC under section 6(2)(b) of the FCRA.*
5. *P. Satish is appointed as a nominee Director by NABARD with effect from December 28, 2011.*
6. *K. Venugopal is appointed as a nominee Director by State Bank of India with effect from January 10, 2012.*

Except for Lambertus Rutten, who is a Dutch national, all of our Directors are Indian nationals.

None of our Directors are related to each other.

In terms of our Articles, our Promoter, FTIL has the right to appoint a nominee Director on our Board as long as it continues to hold more than 4% of the paid up equity share capital of our Company.

Other than as stated above, there are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.

Details of Directors

Venkat Chary, Chairman, is a Non-Executive Independent Director on the Board of Directors of our Company. He is a former Chairman of the FMC, Government of India. He was an officer in the Indian Administrative Services. He was also a member of the Maharashtra Electricity Regulatory Commission and held the positions of Additional Chief Secretary, Principal Secretary and Secretary, in various departments of the Central and State Government. His academic qualifications include a Bachelor's degree in Law, Master's degree in Commerce, and a Post Graduate Diploma in Economics and Finance from the Institute International d'Administration Publique, Paris, France. Venkat Chary practices law at the Bombay High Court and was the legal consultant for one of the companies in the Shriram Group. He has been a Director of our Company since September 2003.

Jignesh P. Shah, Vice Chairman, a Non-Executive Non-Independent Director, is a first-generation entrepreneur and the founder/promoter of the Financial Technologies group of companies. Jignesh P. Shah has been a Director of our Company since May 2003. He is currently the Chairman and Managing Director of FTIL. Prior to establishing FTIL, he was with the BSE, where he was responsible for designing and implementing the technology platform of the exchange. He holds a Bachelor's degree in Engineering from Mumbai University and has received specialised training in money and capital markets as well as futures and options trading at the New York Institute of Finance. He has over 20 years of experience in creating and operating technology-centric financial exchanges for, *inter alia*, stocks, commodities, currencies and bonds.

V. Hariharan, Non-Executive Non-Independent Director, has been a Director of our Company since inception. He holds a Master's degree in Agricultural Statistics from Kerala Agricultural University. He has more than 28 years of experience which includes analysis, coding, implementing and maintaining brokerage and exchange-related mainframe transaction technologies. He has previously worked with companies like the National Stock Exchange of India Limited, NSE.IT Limited, Premier Automobiles Limited and BSE and has also been associated with the Indian Institute of Management, Ahmedabad.

Joseph Massey, Non-Executive Non-Independent Director, joined our Company as Deputy Managing Director in May 2003. He was appointed as the Managing Director and CEO of our Company from April 1, 2008 until May 31, 2009. He was also previously the Managing Director of Interconnected Stock Exchange of India, a collaboration of 15 regional stock exchanges creating a unified national market system. He holds a Master's degree in Economics from Osmania University and a Master's degree in Financial Management from Jamnalal Bajaj Institute of Management Studies, Mumbai. He has attended training programs on capital market regulations at the International Law Institute, Washington, DC, and on derivatives instruments at the New York Institute of Finance. He has over 20 years of experience, which includes experience with organizations like the Life Insurance Corporation of India, Reserve Bank of India, Stock Holding Corporation of India and the Vadodara Stock Exchange.

Lambertus Rutten, Managing Director and CEO, has been a Director of our Company since June 2006. He was previously the chief of finance, risk management and information in the commodities branch of the United Nations Conference on Trade and Development, Geneva. He holds a Master's degree with Honours in International Economic Management from Tilburg University, Netherlands. He is a member of the board of advisors of the International Investment Group LLC, a hedge fund specializing in trade finance. He has more than 20 years of experience in commodity risk management and structured finance as well as on commodity price risk management.

P.G. Kakodkar, Non-Executive Non-Independent Director, has been a Director of our Company since April 2005. He has been associated with various financial institutions and banks including the State Bank of Hyderabad, State Bank of Mysore and NABARD. P.G. Kakodkar is a former Chairman of the State Bank of India. P.G. Kakodkar holds a Master's degree in Economics. He has experience of over 40 years in banking including international banking, finance and administration.

Paras Ajmera, Non-Executive Non-Independent Director, is a nominee Director of FTIL. He has been a Director of our Company since August 2008. Paras Ajmera holds a Bachelor's degree in Engineering in Computer Science. He has about 15 years of experience in various aspects of trading in equities and derivatives markets. He is also involved in high level and low level design of exchange technology solutions, from the product identification and development stage to its implementation and monitoring.

C.M. Maniar, Non-Executive Independent Director, has been a Director of our Company since September 2003. He is a senior partner of the law firm Crawford Bayley & Co., Mumbai. He holds a Bachelor's degree in Commerce and Law and a Master's degree in Economics and Political Science. He has about 48 years of experience in law as an advocate and solicitor, and specializes in corporate and commercial law as well as intellectual and industrial property law.

Shvetal S. Vakil, Non-Executive Independent Director, has been a Director of our Company since October 2003. He has worked with Hindustan Lever Limited and Bunge India Private Limited in various senior capacities. Presently, Shvetal S. Vakil is the executive director of Setco Automotive Limited. He holds a Bachelor's degree in Commerce. He has completed an advanced management programme from the Indian Institute of Management, Ahmedabad. He has about 39 years of experience in evolving growth oriented strategies, including mergers and acquisitions, setting up joint ventures as well as green field project.

Usha Suresh, Non-Executive Independent Director, is the nominee Director appointed by FMC to represent the Central Government on our Board and is also a director of the FMC. She has been a Director on our Board since February 2011. She holds a Post Graduate degree in Economics from the Delhi University and also holds a Diploma in Business Management from IGNOU. She joined the Indian Economic Service in December 1986 and has worked in various capacities in the Planning Commission, Ministries of Rural Development, Industry, Textile and Commerce.

R.M. Premkumar, Non-Executive Independent Director, is the nominee Director of FMC and has been a Director on the Board of our Company since August 2009. He holds Bachelor's degree in Arts and Law and a Master's degree in Arts. He retired from the Indian Administrative Services as the Chief Secretary of the Government of Maharashtra in February 2006. He has about 42 years of experience and during his tenure in the Indian Administrative Services, he held various positions with the State Government of Maharashtra, as well as with the Government of India. He is presently the Chairman of SICOM Limited. He has served as Principal Secretary - Cooperation and Marketing, Principal Secretary – Revenue, Government of Maharashtra, Development Commissioner - SEEPZ, Additional Secretary - Department of Atomic Energy and Chairman - Food Corporation of India and has also held the position of Managing Director of State public sector units like Maharashtra State Co-operative Bank Limited, Maharashtra State Tourism Development Corporation Limited and Maharashtra State Financial Corporation.

K.T. Chacko, Non-Executive Independent Director, has been a nominee Director of FMC on our Board since May 2010. He is an officer in the Indian Administrative Services (Madhya Pradesh cadre). He has a Master's degree in Economics from the University of Kerala. He has a Master's degree in Public Administration from Harvard University, USA, specialising in areas such as international trade, management in developing countries and monetary policy. He has served in the State of Madhya Pradesh for nearly 20 years and for around 15 years in the Government of India, mostly in the Department of Commerce. K.T. Chacko assumed the post of Director General of Foreign Trade in mid 2004, during which his responsibilities included formulation of trade policies and to work as chief facilitator of the Government in the sphere of external trade.

Ashima Goyal, Non-Executive Independent Director, has been a nominee Director of FMC on our Board since May 2010. Currently, a professor of Indira Gandhi Institute of Development Research and is also a writer, a columnist and a specialist in areas of open economy macroeconomics, international finance, institutional economics and development economics. She is a Post Graduate and has a Doctorate in Economics. Her current research focuses on monetary policy institutions, foreign exchange markets, fiscal and monetary policies, financial stability, technology and labour markets, governance, pro-growth incentive structures.

P. Satish, is a Non-Executive Independent Director and nominee of NABARD on the Board of our Company. Currently he is the chief general manager and secretary, NABARD, head office and is also involved in responsibilities related to finance, microfinance, financial inclusion and rural infrastructure financing sectors. He has served NABARD in various capacities like Chief General Manager, Maharashtra regional office, General Manager, regional office, Chandigarh, Faculty Member, Bankers Institute of Rural Development, Lucknow, District Development Manager in Andhra Pradesh. Prior to working in NABARD, he was with RBI. P. Satish has been trained in project appraisal and risk analysis for agriculture and rural development projects at Harvard University, USA, project appraisal at Management Development Institute, Gurgaon and corporate risk management with Dun & Bradstreet. He was involved with several consultancy and action research projects for national and international organizations and has studied and documented rural finance and microfinance programmes. He has published several research papers and articles in national and international journals and periodicals.

K. Venugopal, is a Non-Executive Non Independent Director and a nominee of State Bank of India on our Board since January 10, 2012. He currently holds the position of chief general manager (global markets) in State Bank of India looking after the bank's investment portfolio, money market, equities and forex operations. He is a post graduate in chemistry. During his earlier tenures, he has served SBI in various capacities like general manager (marketing) international banking group, corporate centre, Mumbai, general manager, network-I, LHO Hyderabad, general manager, network-II, LHO, Kolkata and was posted to the bank's foreign office at Paris and New York.

Confirmations

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of this Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

Agreement entered into with the Managing Director and CEO, Lambertus Rutten

Our Company has entered into an agreement dated June 29, 2009 (the "**MD Agreement**") with Lambertus Rutten, a Dutch national, appointing him as our Managing Director and CEO. Lambertus Rutten has been appointed for a term of three years with effect from July 1, 2009. The terms of his employment as set out in the MD Agreement were approved by our shareholders at the AGM held on August 1, 2009. Our Company has received the approval of the FMC (by its letter dated February 17, 2010) and the Central Government (by a letter dated April 8, 2010) for his appointment and his remuneration as required under section 269 of the Companies Act. The remuneration/perquisites payable to him have subsequently been revised by the Remuneration Committee in terms of its resolution dated February 26, 2010, September 20, 2010 and September 16, 2011. The current terms of remuneration of Lambertus Rutten are as follows:

Basic salary:	₹ 7,287,840 per annum
Housing Rent Allowance	₹ 3,643,920 per annum
Special allowance	₹ 5,093,999 per annum
Term Life Insurance	As per the policy of the Company
Accident Insurance and Mediclaim	As per the policy of the Company
Other perquisites	Two chauffer driven cars with fuel as per Company policy.

Gratuity shall be provided as per the policy of the Company in accordance with the Payment of Gratuity Act, 1971

Employers' contribution will also be made at the rate of 12% of the salary to the provident fund account on a monthly basis in accordance with the rules of our Company. The remuneration payable to Lambertus Rutten shall not exceed the limits laid down in Section 198, 269 and 309 of the Companies Act or any statutory modification thereof.

For details in relation to the employee stock options granted to and exercised by Lambertus Rutten, see section titled "Capital Structure" on page 80.

Remuneration of Directors – Executive and Non Executive

1) Remuneration to Executive Directors:

The aggregate value of the remuneration paid to our Executive Directors in fiscal 2011 is as follows:

(Amount in ₹)

Particulars	Lambertus Rutten
Fixed Component :	
Salary and allowances	10,692,636
Monetary value of perquisites	93,397
Total	**10,786,033**
Employee Stock Options granted	For details in relation to the stock options granted to Lambertus Rutten, see section titled "Capital Structure" on page 80.

2) Remuneration to Non-Executive Directors:

Our Company pays sitting fees of ₹ 10,000 per meeting to certain Non Executive Directors, as enumerated below, for attending the meetings of the Board and for attending meetings of the Directors' Committee, Audit Committee, Remuneration Committee, Defaulters Committee and Disciplinary Action Committee. Details of the remuneration paid to the Non-Executive Directors, who are entitled to receive remuneration, in fiscal 2011 are as set forth below:

Name of the Director	Sitting Fees for Fiscal 2011
Venkat Chary	150,000
C.M. Maniar	150,000
Shvetal S. Vakil	90,000
Anup Banerji*	Nil
Anupam Mishra**	Nil
B. Sriram***	20,000
Ashima Goyal	30,000
K.T. Chacko	20,000
R.M. Premkumar	30,000
Srinivasan Balan****	40,000
Usha Suresh	Nil

* *Anup Banerji has ceased to be a Director with effect from April 22, 2010.*
** *Anupam Mishra has ceased to be a Director with effect from February 7, 2011.*
*** *B. Sriram has ceased to be a Director with effect from January 10, 2012.*
**** *Srinivasan Balan has ceased to be a Director with effect from December 28, 2011.*

Bonus/ Profit Sharing Plan for Directors

Other than the ESOP Schemes, our Company has no bonus or profit sharing plan with respect to our Directors. For details in relation to ESOP 2006 and ESOP 2008, see section titled "Capital Structure" on page 80.

Shareholding of the Directors

Our Articles do not require our Directors to hold any qualification shares in our Company. The following is the shareholding of the Directors in our Company as of the date of this Red Herring Prospectus:

Sr. No.	Name of Director	Number of Equity Shares
1.	Venkat Chary	12,500
2.	V. Hariharan	541,032

Sr. No.	Name of Director	Number of Equity Shares
3.	Joseph Massey	31,250
4.	Lambertus Rutten	8,750
5.	P.G. Kakodkar	1,875
6.	Paras Ajmera	540,529
7.	C. M. Maniar	1,250
8.	Shvetal S. Vakil	1,250

For details on the stock options held by our Directors, see section titled "Capital Structure" on page 80.

Interests of our Directors

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them under our Articles of Association. Our Directors will be interested to the extent of remuneration paid to them for services rendered by them as officers or employees of our Company. Further, some of our Directors have also been granted stock options under the ESOP Schemes. All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them or their relatives, out of the present Offer in terms of this Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Lambertus Rutten is entitled to receive remuneration from us. See "Remuneration of Directors" above. For more details, see section titled "Related Party Transactions" on page 245.

Except as otherwise disclosed in this Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors. Our Company has not entered into any service contracts with the Directors which provide for benefits upon termination of employment of the Directors.

Jignesh P. Shah, the Non-Executive Non Independent Vice Chairman of our Company, is also the Chairman, managing director and promoter of FTIL, our Promoter, and holds 18.08% of the paid up share capital of FTIL. P.G. Kakodkar and C. M. Maniar, Directors of our Company, are also directors on the board of FTIL. V. Hariharan is employed as director of strategy (non-board) with FTIL and CEO and director of Singapore Mercantile Exchange Pte. Limited, Singapore. Paras Ajmera is employed as the director of operations and human resource (non-board) with FTIL. The said Directors may be deemed to be interested in the transactions that we enter into with FTIL.

Borrowing Powers of our Board

Our Articles authorise our Board to borrow monies and secure the payment of such sum(s) in such manner and upon such terms and conditions in all respects as it thinks fit. See section titled "Main Provisions of the Articles of Association" on page 495. Our shareholders have authorised our Board to borrow a maximum of ₹ 25,000 million at the fifth AGM held on September 1, 2007.

Changes in our Board of Directors in the last three years

The following changes have occurred in our Board of Directors in the last three years:

Name	Date of Appointment/Change/Cessation	Reason for the Change
K. Venugopal	January 10, 2012	Appointment as a nominee of SBI
B.Sriram	January 10, 2012	Cessation due to withdrawal of nomination by SBI
P. Satish	December 28, 2011	Appointment as a nominee of NABARD
Srinivasan	December 28, 2011	Cessation due to withdrawal of nomination by

Name	Date of Appointment/Change/Cessation	Reason for the Change
Balan		NABARD
Usha Suresh	February 14, 2011	Appointment as nominee of FMC
Anupam Mishra	February 7, 2011	Cessation due to withdrawal of nomination by FMC
Ashima Goyal	May 29, 2010	Appointment as nominee of FMC
K.T. Chacko	May 29, 2010	Appointment as nominee of FMC
B. Sriram	April 22, 2010	Appointment as nominee of the State Bank of India
Anup Banerji	April 22, 2010	Cessation due to withdrawal of nomination by State Bank of India
Ajit Ranade	April 1, 2010	Cessation due to expiry of term of nomination by the FMC
Prakash Apte	April 1, 2010	Cessation due to expiry of term of nomination by the FMC
Srinivasan Balan	September 4, 2009	Appointment as nominee of NABARD
P. Satish	September 4, 2009	Cessation due to withdrawal of nomination by NABARD
R.M. Premkumar	August 10, 2009	Appointment as nominee of FMC
Lambertus Rutten	July 1, 2009	Change in designation as Managing Director and CEO
Joseph Massey	June 1, 2009	Change in designation as Non-Executive Director
P. Satish	May 20, 2009	Appointment as nominee of NABARD
R. Balakrishnan	May 20, 2009	Cessation due to withdrawal of nomination by NABARD
S. Narayan	April 1, 2009	Cessation
Asha Das	April 1, 2009	Cessation due to expiry of term of nomination by the FMC

Corporate Governance

We have a broad-based Board of Directors, constituted in compliance with the Companies Act and Listing Agreement with BSE. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

As on the date of filing this Red Herring Prospectus, there are 15 directors on our Board. The Chairman of the Board is a Non-Executive and Independent Director. There is one executive Director, six Non-Executive Directors and seven Non-Executive and Independent Directors. There are four nominee Directors who represent the FMC, one nominee Director who represents our Promoter, one nominee Director representing NABARD and one nominee Director representing State Bank of India.

Committees of the Board

Our Board functions through the following committees:

Audit Committee

The members of the Audit Committee are:

- Venkat Chary (Chairman);

- C. M. Maniar; and
- Shvetal S. Vakil.

The Audit Committee was initially constituted on July 3, 2004 and was reconstituted by the Board of Directors on September 22, 2007, January 19, 2008, January 24, 2009 and May 29, 2010 respectively. The broad terms of reference/responsibility are as follows:

1. Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

   - Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
   - Changes, if any, in accounting policies and practices and reasons for the same
   - Major accounting entries involving estimates based on the exercise of judgment by management
   - Significant adjustments made in the financial statements arising out of audit findings
   - Compliance with listing and other legal requirements relating to financial statements
   - Disclosure of any related party transactions
   - Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

9. Discussion with internal auditors any significant findings and follow up there on.

10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

14. Approval of appointment of the chief financial officer (i.e the whole-time Finance Director or any other person heading the finance function or discharging that function), after assessing the qualifications, experience and background of the candidate.

15. In the event of any Public / Right Issue of the company to monitor the utilization of issue proceeds.

16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee considers the audit reports covering operational, financial and other business areas and also the unaudited financial results of our Company.

As required under clause 49 of the Listing Agreement, the Audit Committee met four times in fiscal 2011.

Investor Grievance Committee

The members of the Investor Grievance Committee are:

- Shvetal S. Vakil; (Chairman)
- Lambertus Rutten; and
- Venkat Chary.

The Investor Grievance Committee was initially constituted on September 24, 2005 and was reconstituted by the Board of Directors on September 22, 2007, September 20, 2008, June 29, 2009, September 23, 2009 and May 29, 2010. The Investor Grievance Committee has been set up for the following purposes:

- redressing complaints from shareholders such as non-receipt of dividend, annual report, transfer of shares and issue of duplicate share certificates; and
- monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of shares and bonds issued by our Company.

The Investor Grievance Committee met once in fiscal 2011.

Remuneration Committee

The Remuneration Committee was constituted on September 24, 2005 and reconstituted on September 20, 2008, January 24, 2009 and September 23, 2009. The committee shall function in accordance with Clause 49 of the Listing Agreement with BSE.

The members of the Remuneration Committee are:

- Venkat Chary (Chairman);
- C.M. Maniar; and
- Shvetal S. Vakil.

The Remuneration Committee met once in fiscal 2011.

IPO Committee

The IPO Committee was initially constituted on September 24, 2005 and was reconstituted by the Board of Directors on September 22, 2007, September 20, 2008, June 29, 2009, May 19, 2011 and January 25, 2012.

The members of the IPO Committee are:

- Lambertus Rutten (Chairman);
- Venkat Chary;
- K. Venugopal;
- V. Hariharan; and
- Paras Ajmera.

The IPO Committee met three times in fiscal 2011.

The Board has appointed this committee to oversee, execute and administer the activities to be undertaken for this Offer.

Compensation Committee

The Compensation Committee that was constituted on September 24, 2005 and was reconstituted by the Board of Directors on September 22, 2007, June 29, 2009, September 23, 2009 and September 16, 2011.

The members of the Compensation Committee are:

- Lambertus Rutten (Chairman);
- Shvetal S. Vakil; and
- Venkat Chary.

The Compensation Committee is entrusted with the function of the administration and superintendence of the ESOP Schemes including:

- Number of options to be granted to any employee, and in the aggregate;
- The manner of administering and implementing the scheme including setting up of a trust;
- Terms on which the options will vest;
- The conditions under which options vested in employees may lapse;
- The exercise period within which an employee should exercise the option, and lapsing of options on failure to exercise the options within the exercise period;
- The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of the employee;
- The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;

- The grant, vesting and exercise of options in case of employees who are on long leave; and

- Any other related or incidental matters.

The Compensation Committee met two times in fiscal 2011.

In addition to the committees mentioned above, certain key functions of our Company are carried out by the following committees:

Investment Committee

The Investment Committee was constituted on May 5, 2006 and reconstituted on September 22, 2007, September 20, 2008, and June 29, 2009.

The members of the Investment Committee are

- V. Hariharan (Chairman);

- Venkat Chary; and

- Lambertus Rutten

The terms of reference of the Investment Committee are as follows:

1. Develop a conducive investment policy through comprehensive prudential norms for investments of surplus funds available with the Company in mutual funds and /or fixed deposits.

2. Review the various investment avenues with minimal risk and optimum return.

3. Review the investments transactions of the Company from time to time.

4. To do all such acts, things and writings to give effect to the above.

Directors' Committee

The Directors' Committee (earlier named as the Management Committee) was reconstituted and renamed as the Directors' Committee on September 23, 2009.

The members of the Directors' Committee are:

- Lambertus Rutten (Chairman);

- Venkat Chary;

- C.M. Maniar; and

- Shvetal S. Vakil.

The terms of reference to the Directors' Committees are as follows:

1. To do all acts, deeds and things that may be necessary to ensure compliance with all applicable statutory requirements, including directions given by FMC or any other authority.

2. To monitor the compliance of the different laws applicable to the Company.

3. To enter into banking arrangements, apply for overdraft and other facilities with various Banks as may be deemed necessary and authorize management for opening, operating and closing bank accounts of the Company.

4. To allot and issue shares and other securities from time to time.

5. To make investments, disinvestments or take loans or borrow subject to the limits specified by law and the Company and as approved by the Board.

6. To constitute, reconstitute and suspend other committees by whatever name called for the purpose of day to day running of the Exchange.

7. To recommend to the Board the sitting fees payable to the Directors and to approve the expenses of any Executive Director of the Company.

8. To recommend to the Forward Markets Commission (FMC), the nomination of any person as the Director in the Company.

9. To transact business of the Company, within the policy framework adopted by the Board.

10. To exercise financial power as defined by the Board of Directors and which power is beyond the powers of the Managing Director & Chief Executive Officer of the Company.

11. To monitor the financial power exercised by the Executives within the delegation.

12. To review and give directions for growth/ or put caps on the business within the policy framework and to oversee the policy and strategies of the Company.

13. To review, recommend changes to the Articles of Association, Rules, Bye Laws and Business Rules of the Company.

14. To make donations / contributions under the applicable provisions of the Companies Act, 1956 either directly or indirectly, in one or more tranches to Entity(ies) / Trust(s) / Person(s) for the purpose of promoting national interest, public interest litigations, eradication of unfair and malpractices, donations to political parties in accordance with section 293A of the Companies Act, 1956, promotion of literature on fair practices, furthering causes of educational, religious and medical assistance such donations / contributions amount being within the limit as calculated in the manner prescribed in the Companies Act, 1956, and subject to a maximum limit of Rupees Five Crores in any financial year.

15. To borrow moneys other than debenture upto ₹ 250 Crores in aggregate.

16. To invests the funds of the Company upto ₹ 250 Crores in mutual funds/ fixed deposits and other investments covered under section 372A of the Companies Act.

17. To make loans upto ₹ 250 Crores in aggregate.

18. To oversee the Company's capital structure and financing arrangements in support of the Company's annual financial plan and strategic plan and make recommendations to the Board with regard thereto.

19. The committee shall review and reassess the adequacy of the powers conferred to the different Committees of the Board and of the Exchanges related Committees and to recommend addition to, alteration, modification, deletion or repeal any of the Provisions of the Rules, Bye Laws and the Business Rules to the Board for approval.

20. To oversee the operations of the Exchange and promulgating such Business Rules and Codes of Conduct as it may deem fit.

21. To administer, maintain and invest the corpus of the Fund(s) set up by the Exchange including Investor Protection Fund.

22. To review the management development and evaluation of succession planning for other key senior officers.

23. To perform such other duties, responsibilities and authorities as the Board may from time to time delegate.

We have constituted the following committees to oversee our operations as a commodity exchange

The functions, composition and bye laws/articles which provide for the formation of the aforesaid committees are detailed below.

1. ***Executive Committee:***

As per Rule 9 of the rules of our Company, a committee shall be constituted for the day to day management of the exchange and for implementation of the provisions of the articles, bye-laws, rules and regulations of the exchange and for such other matters as may be decided by our Board from time to time.

The Executive Committee is comprised of:

- Lambertus Rutten (Chairman);
- Kalpesh Shukla;
- Ramalingam M.; and
- Dipak Shah

2. ***Membership Admission Committee ("MAC"):***

In terms of Rule 4 of the business rules of our Company, a Membership Admission Committee is constituted for the purpose of evaluating the applications for the membership of the Exchange, making recommendations for their acceptance/rejection and framing rules/criteria relating to admission for membership.

The MAC is comprised of:

- Parveen Kumar Singhal (Chairman);
- P. Ramanathan;
- Neetu Juneja ; and
- J. B. Ram

The MAC is authorised:

1. To evaluate, based on documents submitted and interviews of applicants (personal or telephonic), the applications received for the membership of the Exchange;

2. To make its recommendations on the applications received for membership to the Board or the Management Committee for decision; and

3. To frame rules and criteria relating to admission of members, subject to their approval thereof by the Management Committee.

3. ***Clearing House Committee:***

In pursuance of Rule 3 and Rule 6 of the rules of our Company, a committee has been constituted to recommend the margin structure, to determine losses, damages and penalties resulting from any defaults including delivery defaults and the manner of utilisation of the settlement guarantee fund.

The Clearing House Committee is comprised of:

- Dipak Shah (Chairman);
- Lambertus Rutten;
- Kalpesh Shukla; and
- Ramalingam M.

The major functions assigned to the Clearing House Committee are as discussed below:

1. To recommend the margin structure applicable for each commodity and contracts;
2. To recommend action in the event of a default by members of the Exchange after examining the desirability of transferring any part or all of the open positions cleared and registered by the clearing house and the desirability of closing out any part or all of the open positions cleared and registered by the clearing house;
3. To determine losses, damages and penalties resulting from any defaults including delivery defaults; and
4. To recommend action against defaulting members of the Exchange and the manner of utilization of the Settlement Guarantee Fund, as per the rules, articles and bye-Laws of the Exchanges.

4. ***Vigilance Committee:***

In pursuance of Rule 3 and Rule 8 of the rules of our Company, a committee has been constituted to set out the procedure relating to checks, inspections, enquiries and prevent/monitor price manipulation, price distortion, trading malpractices.

The Vigilance Committee is comprised of:

- V. Hariharan (Chairman);
- Lambertus Rutten;
- Paras Ajmera; and
- Dipak Shah.

The Vigilance Committee is authorised:

1. To set out the procedure relating to checks, inspections, enquiries and investigations in order to discover, and to prevent and monitor, as the case may be, price manipulation, and price distortion;
2. To set out the procedure to investigate the trading malpractices; and
3. To perform such duties and responsibilities as may be assigned to it by the Board from time to time.

5. ***Trading Committee:***

As per Rules 3 and Rule 5 of the rules of our Company, the Trading Committee has been constituted for monitoring of the trading system of our Company and for implementation of the rules of automated trading.

The Trading Committee is comprised of:

- Lambertus Rutten (Chairman);
- Kalpesh Shukla;
- Ramalingam M.; and
- Dipak Shah.

The functions of the Trading Committee are as mentioned below:

1. To review and recommend Rules for automated trading for proper functioning of the trading system and for the selection of, and trading in, approved commodities;
2. To review the specification of price limits for each contract month within which any futures contracts in any commodity shall be transacted in the Exchange;
3. the suspension of trading in one or more contracts when pre-set price limits are breached;
4. To recommend the conditions for the relaxation or tightening of price limits along with the new limits when necessary;
5. To review the specification of position limits for each contract month within which a futures contract shall be transacted and held by members of the Exchange and clients,

6 To review the conditions under which exemptions or concessions may be granted to members of the Exchange uniformly or selectively;

7. To review and recommend risk management systems to ensure that trading takes place in a fair and safe manner;
8. To recommend Business Rules for clearing and settlement;
9. To Approve of the basis for computation of the settlement price for each clearing day and special settlement rates for settlement of disputes or on days when there is no trading; and
10. To deal with emergencies special situations.

6. ***Information Systems Steering Committee***

The Information Systems Steering Committee was constituted on September 6, 2003. The following persons are its members:

- Lambertus Rutten (Chairman);
- P. P. Kaladharan;
- B.S. Raju; and
- Mahesh Joshi.

The Information System Steering Committee overseas the following functions relating to information technology:

1. Oversee IT related activities and overall performance;
2. Review proposals for new IT investments;
3. Review milestones and progress of major IT projects;
4. Approve the Information System Policies and Procedures (ISPP);
5. Review compliance of Information System Policies and Procedures;
6. Approve pricing policies (Datafeed, CTCL etc.); and
7. Review the adequacy and allocation of IT resources.

7. Disciplinary Action Committee

The Disciplinary Action Committee was constituted on January 24, 2009. The following persons are its members:

- C.M. Maniar (Chairman);
- Lambertus Rutten;
- Paras Ajmera; and
- Chandrakant Kamdar.

The Disciplinary Action Committee oversees the taking of disciplinary action such as suspension, expulsion, fine, censure, warning or withdrawal of membership for guilty of contravention, non-compliances, disobedience, disregard or evasion of any of the provisions of the rules, bye-laws and business rules of our Company.

8. Defaulters Committee

The Defaulters Committee was constituted on January 24, 2009. The following persons are its members:

- C.M. Maniar (Chairman);
- Lambertus Rutten;
- Paras Ajmera; and
- Chandrakant Kamdar.

The Defaulters Committee functions as the relevant authority under the rules, bye-laws and business rules of our Company to declare as defaulter and/or to expel any member in accordance with and subject to the Forwards Contract (Regulation) Act, 1952 and the rules framed there-under. This committee oversees the following:

1. In case any member has been declared defaulter, shall take charge of all his books of accounts, documents, papers and vouchers to ascertain the state of his affairs take-over such books, documents, papers and vouchers of the defaulter;
2. advise Disciplinary Action Committee to take action against any such defaulter;

3. shall enter and conduct strict inquiry into the accounts and dealings of the defaulter in the market and shall report to the Board any finding that may be considered inappropriate, improper, un-business like or unbecoming in any manner prejudicial to the matters pertaining to the Membership of the Exchange;

4. in making a call and to realize/adjust the security and margin money and securities/ commodities deposited by the defaulter and square off all his outstanding positions in contracts for all commodities traded by him;

5. to claim, hold, adjust or recover all monies, securities/ commodities and other assets due, payable or deliverable to the defaulter by any other member in respect of any transaction or contract made subject to the Rules, Bye-laws and Business Rules of the Exchange and such assets shall vest in the said committee for the benefit and on account of the creditor of the Defaulter;

6. shall hold, adjust, or take all monies, securities/ commodities and other assets due, payable or deliverable to the defaulter within such time of the declaration of default as the Governing Board or the Managing Director or CEO may direct;

7. shall, at the risk and cost of the creditor member, pay all assets received in the course of realization into such bank and/or keep them with the Clearing House and/or warehouse in such names as the Board may from time to time direct and shall distribute the proceeds as soon as possible on pro-rata without interest among the creditor whose claims are admitted in accordance with these Bye-laws and Business Rules;

8. shall maintain a separate account in respect of all monies, securities/commodities and other assets a defaulter which are received by it and shall defray therefrom all costs, charges and expenses incurred in or about the collection of such assets or in or about any proceedings it takes in connection with the default;

9. shall present a report to the Board, every six months, relating to the affairs of a defaulter and shall show the assets realised, amount adjusted on account of the Defaulter Member, the liabilities discharged and the Cost incurred;

10. shall apply the net assets remaining in its hands after defraying all such costs, charges and expenses as are allowed under these Bye-laws and Regulations in satisfying first the claim of the Exchange and the Clearing House and then rateably such admitted claims of the creditors against the defaulter arising out of contracts entered into in the market in accordance with the provisions of the Rules, Bye-laws and Business Rules of the Exchange;

11. shall comply with the Recovery of Loss and Re-distribution as specified in the Bye-laws;

12. shall not entertain any of the following claims against a defaulter:

    a. which arises out of a futures contract in any commodity, in which contracts are not permitted or which are not made subject to the Rules, Bye-laws and Business Rules of the Exchange or in which the claimant has either not paid himself or colluded with the defaulter in the evasion of margin payable on trades in any contract;

    b. which arises from contracts not settled within the time prescribed by the Rules, Bye-laws and Business Rules which arises from any arrangement for settlement of claims in lieu of bonafide money payment in full on the day when such claims becomes due;

    c. which arises from any outstanding balance or any outstanding difference upon previous transactions which has not been claimed at the proper time and in the manner prescribed in the Bye-laws and Business Rules;

d. which is in respect of a loan with or without security; and

e. which is not filed with the committee within such time, as may be prescribed by the Board, from the date of declaration of default.

13. utilise the Settlement Guarantee Fund or any other money of the defaulting member to the extent necessary to fulfill the obligations of the defaulting member in the order as specified in the Bye-laws;

14. such incidental, consequent and supplemental matters as it may deem fit; and

15. any such other matters as the Board may direct.

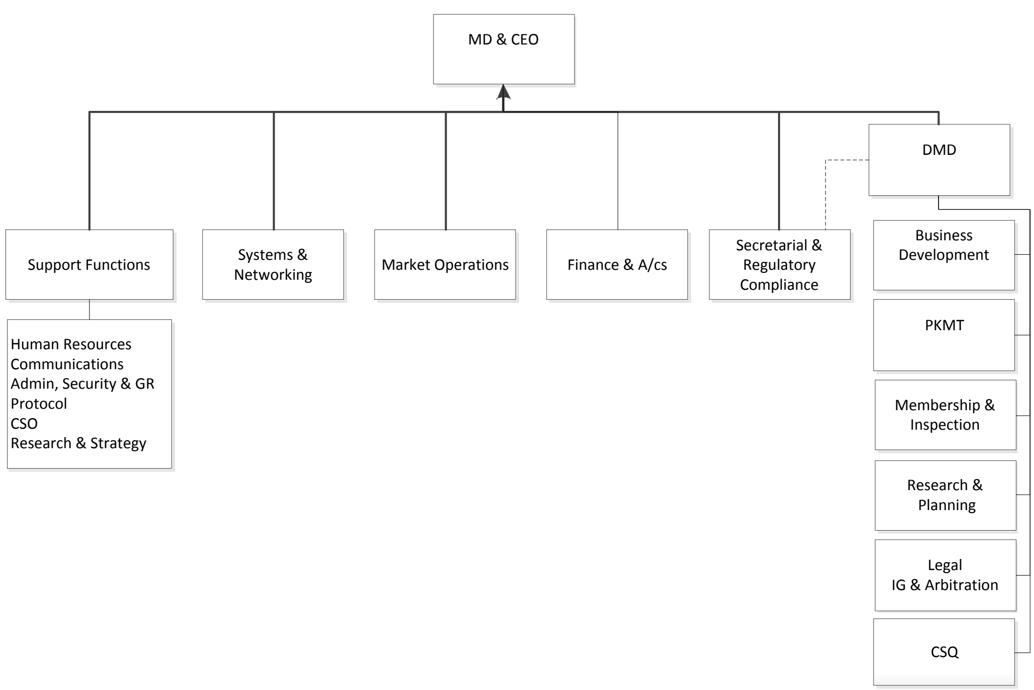
9. ***Investor Protection Fund (IPF) Committee***

Pursuant to the FMC's revised IPF Guidelines dated September 28, 2011 applicable to all National Commodity Exchanges, the Company has, ad interim, constituted an IPF Committee on October 24, 2011 pending the formation of the IPF Trust. The IPF Committee is assigned the function to operationalize the IPF till the IPF Trust is set for the administration and management of the IPF.

The following persons are its members:

- C. K. Kamdar;
- Shvetal S. Vakil;
- Venkat Chary;
- Usha Suresh; and
- Lambertus Rutten.

Organisational Structure:



Key Managerial Personnel of our Company

Some of our key managerial personnel have been designated as 'directors'. However, they are not Directors on the Board of our Company.

Parveen Kumar Singhal, 57, deputy managing director (non-Board), joined our Company in November 2009. He was previously working with MCX Stock Exchange Limited as senior vice-president and head of North (marketing and business development), prior to which he was a director in the FMC. He had also worked with Delhi Stock Exchange Limited as Executive Director and SEBI as Division Chief. He has an overall experience of 35 years in executive cadre with bank/ insurance company/ term lending institution/ securities and commodities markets. He was also nominee director on number of companies and Exchanges on behalf of term lending institution/regulatory bodies. He was also member of number of advisory committees constituted by SEBI. He has a bachelor's degree in commerce, a master's degree in business administration and a certification in capital markets and a diploma in business finance. During Fiscal 2011 he was paid a gross compensation of ₹ 5.30 million.

Dipak D. Shah, 52, director – market operations (non-Board), presently looks after trading and surveillance, clearing and settlement, spot and delivery activities of our Company. He joined our Company in April 2008 and has also previously worked in our Company during the period August 31, 2005 to August 31, 2007. He was previously working with OTCEI Limited as the managing director and chief executive officer. Dipak D. Shah is a chartered accountant and has over 25 years of professional experience. During Fiscal 2011 he was paid a gross compensation of ₹ 5.18 million.

Sumesh Parasrampuria, 36, director – business development (non-Board), is in charge of business development, product knowledge management team, research and planning and customer service and quality department. He joined our Company in November 2006 and was previously working with Motilal Oswal Commodities Private Limited. He has over 14 years of experience in the field of commodity trading and risk management. He holds a post graduate degree in finance from L. N. Welingkar's Institute of Management. During Fiscal 2011 he was paid a gross compensation of ₹ 5.16 million.

P. Ramanathan, 59, company secretary and chief compliance officer, looks after the secretarial activities and regulatory compliance of our Company. He joined our Company in August 2008 and was previously working with FTIL as vice-president and company secretary. He has over 24 years of experience in the field of legal and secretarial practice. He is a member of the Institute of Company Secretaries of India. During Fiscal 2011 he was paid a gross compensation of ₹ 3.48 million.

Mahesh Joshi, 46, is the chief financial officer of our Company. He looks after the finance and accounts department of our Company. He is qualified chartered accountant and has over 18 years of professional experience. He joined us in August 2011. He was associated with FTIL as the chief financial officer. During Fiscal 2011 he was not paid any compensation by our Company.

P. P. Kaladharan, 56, is the chief technology officer of our Company. He heads the technology function which includes technology and technical support. He joined our Company in February 2006 and was previously working with BSE for over 15 years. He holds a Post Graduate Diploma in computer science and also a master's degree in commerce from Agra University and a bachelor's degree in commerce from Delhi University. During Fiscal 2011 he was paid a gross compensation of ₹ 3.03 million.

J. B. Ram, 52, senior vice president, heads the membership and inspection functions of our Company. He joined our Company in June 2010 and was previously working with Edelweiss Capital Limited (now known as Edelweiss Financial Services Limited) as senior vice president. He has also worked with companies like CDSL, Unit Trust of India and SEBI. He has experience of around 25 years. He holds a master's degree in business administration and a post graduate diploma in securities law. He is also a qualified chartered financial analyst, a qualified member of international investment analysts and certified financial risk manager from Global Association of Risk Professionals. During Fiscal 2011 he was paid a gross compensation of ₹ 2 million.

Raghavendra Prasad, 45, Vice President, looks after the legal activities of our Company. He joined our Company in 2009 and was previously working with RBI and was deputed to SEBI as Deputy Legal Advisor. He has over 19 years of experience in the field of law. He holds a post graduate degree, masters' degree and bachelors' degree in law and a bachelors' degree in commerce. He was also earlier associated with FTIL as a vice president legal. During Fiscal 2011 he was paid a gross compensation of ₹ 2.79 million.

Rajesh Bagwe, 46, vice president, human resources, looks after the human resources activities of our Company. He joined our Company in April 2008. He was previously working with the NSE (as assistant vice president – human resources) and with Siemens Limited (as chief manager - human resources & business partner). He has an overall experience of around 22 years. He holds a master's degree in labour studies. During Fiscal 2011 he was paid a gross compensation of ₹ 2.99 million.

All the key managerial personnel of our Company are permanent employees of our Company. The key managerial personnel are not related to one another.

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the key managerial personnel were selected as key managerial personnel.

Shareholding of Key Managerial Personnel

The following is the shareholding of the key managerial personnel in our Company:

Sr. No.	Name of key managerial personnel	Number of Equity Shares
1.	Dipak D. Shah	7,000
2.	Sumesh Parasrampuria	6,250
3.	Rajesh Bagwe	2,500
4.	P. P. Kaladharan	5,000
5.	P. Ramanathan	117*

* *Jointly held with Sunil Laad as a trustee towards the fractional entitlements arising out of consolidation of shares and bonus issue*

Employee Stock Option Scheme

For details of the employee stock options held by our key managerial personnel, see section titled "Capital Structure" on page 80.

Bonus or profit sharing plan of the key management personnel

Other than the employee stock options granted to certain key managerial personnel, our Company does not have a performance linked bonus or a profit sharing plan for the key management personnel.

Interests of Key Management Personnel

The key management personnel of our Company do not have any interest in our Company other than the Equity Shares and the employee stock options held by the key managerial employees and to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. None of the key management personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Other than P. Ramanathan, P.P. Kaladharan and Raghavendra Prasad, the Company has not granted any loan to any of its key management personnel which is outstanding as on December 31, 2011.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which the key management personnel were selected as members of senior management.

Employees Stock Option Plan

For details in relation to the employee stock option plans of our Company, ESOP 2006 and ESOP 2008, see section titled "Capital Structure" on page 80.

Payment or benefit to officers of the Company

No non-salary related amount or benefit has been paid or given within two years, or intended to be paid or given, to any officer of the Company (including the Directors and the key management personnel.)

Changes in the Key Managerial Personnel

The following are the changes in our key managerial personnel in the last three years:

Sr. No	Name of the Employee	Date of Appointment/ Change/ Cessation	Reason
1.	Mahesh Joshi	August 11, 2011	Appointment
2.	Hemant Vastani	August 11, 2011	Change in reporting structure
3.	Shachindrakumar Dube	June 8, 2011	Resignation
4.	Vikas Phadke	March 4, 2011	Resignation
5.	Vikas Phadke	July 23, 2010	Appointment
6.	Shachindrakumar Dube	July 23, 2010	Appointment
7.	J. B. Ram	June 21, 2010	Appointment
8.	Nayan Mehta	April 23, 2010	Resignation
9.	Parag Jain	February 8, 2010	Resignation
10.	Raghavendra Prasad	December 1, 2009	Appointment
11.	Parveen Kumar Singhal	November 19, 2009	Appointment
12.	Chandra Mauli Dwivedi	April 13, 2009	Resignation

OUR PROMOTER AND PROMOTER GROUP

Our Corporate Promoter

FTIL

Worldwide Technologies (Electronics) Private Limited was incorporated on April 12, 1988. It was renamed as Worldwide Technologies Private Limited on May 17, 1994, and later again renamed as Worldwide Technologies Limited on September 6, 1994 and eventually as Nods Worldwide Limited on July 1, 1999. Another company called Electronic Broking Services Limited was then merged with Nods Worldwide Limited pursuant to a scheme of amalgamation and the orders of the Bombay High Court dated July 20, 2000 and the Madras High Court dated July 21, 2000. The resultant entity was named e-Xchange on the Net Limited. Financial Technologies (India) Private Limited (FTIPL), incorporated as Jignesh Consultancy Services Private Limited on January 24, 1995, and e-Xchange on the Net Limited were merged pursuant to a scheme of amalgamation and the resultant entity was named Financial Technologies (India) Limited. This merger was approved by the High Courts at Mumbai and Chennai pursuant to their orders dated November 29, 2000 and March 13, 2001, respectively.

FTIL's registered office is situated at Doshi Towers, 1st Floor, 1 A and B, 156, Periyar EVR Salai, Kilpauk, Chennai – 600 010, Tamil Nadu. It is mainly engaged in the business of developing software and acting as a technical service provider in respect of automated electronic markets in the areas of finance and technology like foreign exchange, commodities, debts, treasuries, securities, banking and insurance. It is listed on the BSE, the NSE, the Ahmedabad Stock Exchange and the Madras Stock Exchange. The promoters of FTIL are Jignesh P. Shah, Dewang Neralla and La-Fin Financial Services Private Limited. For details on Jignesh P. Shah, Dewang Neralla and La-Fin Financial Services Private Limited, see sections titled "Our Management" and "Our Promoter and Promoter Group" on pages 194 and 220 respectively.

Shareholding Pattern of FTIL as on December 31, 2011

Category Code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in Dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)1	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) =(VIII) / (IV) *100
(A)	**Shareholding of Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals / Hindu Undivided Family	12	8,722,386	8,722,386	18.98	18.93	-	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	1	12,329,968	12,329,968	26.83	26.76	-	-
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**13**	**21,052,354**	**21,052,354**	**45.80**	**45.69**	**-**	**-**
(2)	**Foreign**							
(a)	Individuals (Non Resident Individuals)/	-	-	-	-	-	-	-
	Foreign Individuals)							
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-
	Total Shareholding of Promoter and							
	Promoter Group (A) = (A)(1) + (A)(2)	**13**	**21,052,354**	**21,052,354**	**45.80**	**45.69**	**-**	**-**
(B)	**Public Shareholding**							
(1)	**Institutions**							

Category Code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in Dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)1	As a percentage of (A+B+C)	Number of Shares	As a percentage
(a)	Mutual Funds/UTI	18	3,825,519	3,825,519	8.32	8.30		
(b)	Financial Institutions/Banks	16	224,842	222,790	0.49	0.49		
(c)	Central Government / State Government(s)	-	-	-	-	-		
(d)	Venture Capital Funds	-	-	-	-	-		
(e)	Insurance Companies	-	-	-	-	-		
(f)	Foreign Institutional Investors	110	10,355,784	10,355,784	22.53	22.47		
(g)	Foreign Venture Capital Investors	-	-	-	-	-		
(h)	Any Other (specify) Foreign Bodies – DR	1	31,680	31,680	0.07	0.07		
	Sub-Total (B)(1)	**145**	**14,437,825**	**144,35,773**	**31.41**	**31.33**		
(2)	**Non-Institutions**							
(a)	Bodies Corporate	1,187	1,900,202	1,883,609	4.13	4.12		
(b)	Individuals -							
	i. Individual shareholders holding nominal							
	share capital upto ₹ 1 Lakh	46,949	3,732,120	3,634,942	8.12	8.10		
	ii. Individual shareholders holding nominal							
	share capital in excess of ₹ 1 Lakh	4	734,305	734,305	1.60	1.59		
(c)	Any Other (specify)							
	Clearing Members	129	129,871	129,871	0.28	0.28		
	Independent/Non-Independent Directors/Relatives	9	3,817,638	3,817,638	8.31	8.29		
	Non Resident Indians (NRI's)	614	156,855	133,956	0.34	0.34		
	Trusts	10	2,905	2,905	0.01	0.01		
	Sub Total (B)(2)	**48,902**	**10,473,896**	**10,337,226**	**22.79**	**22.73**		
	Total Public Shareholding(B)=(B)(1) + (B)(2)	**49,047**	**24,911,721**	**24,772,999**	**54.20**	**54.06**		
	TOTAL (A) + (B)	**49,060**	**45,964,075**	**45,825,353**	**100.00**	**99.75**		
(C)	**Shares held by Custodians and against**							
	which Depository receipts have been issued							
(1)	Promoter & Promoter Group	-	-	-	-	-		
(2)	Public	1	114,462	114,462	-	0.25		
	GRAND TOTAL (A) + (B) + (C)	**49,061**	**46,078,537**	**45,939,815**	**100.00**	**100.00**		

As on December 31, 2011, FTIL has no outstanding partly-paid equity shares, warrants or convertible securities held by its promoter/promoter group or public.

Board of Directors

The board of directors of FTIL comprises of:

1. Jignesh P. Shah;
2. Dewang Neralla;
3. Ravi K. Sheth;
4. P.G. Kakodkar;

5. C. Kamdar;

6. R. Devarajan;

7. P. R. Barpande; and

8. C.M. Maniar.

Financial Performance

The audited financial results of FTIL (unconsolidated) for fiscal 2009, 2010 and 2011 are as follows:

(*In ₹ millions, except share data*)

	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Income	7,061.41	6,481.78	4,997.51
Profit after tax	3,685.96	3,443.66	919.35
Equity Share Capital	91.77	92.16	92.16
Reserve and Surplus	17,405.22	20,324.47	20,512.49
Networth	17,496.99	20,416.63	20,604.64
Basic Earning per Share (of ₹ 2 each)	80.33	74.97	19.95
Net Asset Value per share (of ₹ 2 each)	381.33	443.08	447.16

The audited financial results of FTIL (consolidated) for fiscal 2009, 2010 and 2011 are as follows:

(*In ₹ millions, except share data*)

	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Income	6,925.74	6,535.37	5,532.71
Profit after tax*	2,456.66	1,401.11	(1,368.04)
Equity Share Capital	91.77	92.16	92.16
Reserve and Surplus	16,934.26	17,423.87	15,461.15
Networth	17,026.02	17,516.03	15,553.30
Basic Earning per Share (of ₹ 2 each)	53.54	30.50	(29.69)
Net Asset Value per share (of ₹ 2 each)	371.07	380.13	337.54

* *After minority interest and exceptional items*

Share Quotation

The equity shares of FTIL are listed on the BSE, the NSE, the Ahmedabad Stock Exchange and the Madras Stock Exchange. The equity shares of FTIL are traded on the BSE and the NSE.

The monthly high and low of the market price of the equity shares of FTIL having a face value of ₹ 2 each on BSE for the last six months is as follows:

Month	High (₹)	Low (₹)
August 2011	820.75	656.50
September 2011	903.00	721.30
October 2011	815.00	690.00
November 2011	749.65	540.20
December 2011	644.50	518.10
January 2012	734.00	522.05

(Source: BSE Website)

The monthly high and low of the market price of the equity shares of FTIL having a face value of ₹ 2 each on NSE for the last six months is as follows:

Month	High (₹)	Low (₹)
August 2011	822.00	665.00
September 2011	904.00	723.00
October 2011	822.00	689.60
November 2011	749.65	540.05
December 2011	644.20	513.00
January 2012	740.00	525.30

(Source: NSE Website)

The market capitalisation of FTIL on the closing price of ₹ 812.45 per equity share on the BSE as on February 9, 2012 was ₹ 37,436.50 million.

The market capitalisation of FTIL on the closing price of ₹ 812.55 per equity share on the NSE as on February 9, 2012 was ₹ 37,441.11 million.

Details of transactions by promoters/ relatives of FTIL in the equity shares of FTIL in the last three years

The details of transactions in the equity shares of FTIL by the promoters/promoter group of FTIL from April 1, 2008 until the date of the filing of this Red Herring Prospectus are given below:

Year	Particular	Jignesh P. Shah			Dewang Neralla			La-Fin Financial Services Private Limited			Relatives of Promoters		
		Bought	Sold	Price Range (₹)	Bought	Sold	Price Range (₹)	Bought	Sold	Price Range (₹)	Bought	Sold	Price Range (₹)
April 1, 2008 to March 31, 2009	Inter se transfer amongst promoters/promoter group	Nil	160,000		Nil	Nil	Nil	Nil	Nil	Nil	160,000	Nil	Nil
	On-market transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2,203	1,648	450 to 1,921
	Off-market transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
April 1, 2009 to March 31, 2010	Inter se transfer amongst promoters/promoter group	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	On-market transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100	4,105	639 to 1,631
	Off-market transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
April 1, 2010 to March 31, 2011	Inter se transfer amongst promoters/promoter group	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	50	50	Nil
	On-market transactions	Nil	Nil	Nil	Nil	Nil	Nil	74,355	Nil	1,370	73	75,705	758 to 1,609
	Off-market transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1500	Nil
April 1, 2011 to December 31, 2011	Inter se transfer amongst promoters/promoter group	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	On-market transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	502	812 to 882
	Off-market transactions	Nil	Nil	Nil	Nil	Nil	Nil	138,550	Nil	805.50	Nil	Nil	Nil

Note: Price range not indicated where no consideration was involved

The permanent account number, bank account number, the RoC registration number and address of the Registrar of Companies where FTIL is registered shall be submitted to BSE at the time of filing of this Red Herring Prospectus with it.

Details of the last issue made

FTIL made an offering of 10,121,461 Global Depositary Receipts (GDR) whereby seven GDRs represent one share of nominal value ₹ 2 at an offering price of USD 9.88 per GDR subject to the over-allotment option for upto 1,518,216 GDR. These allotments were made on October 11, 2007 and November 7, 2007.

Mechanism for redressal of investor grievance

FTIL has a Shareholders/ Investor Grievance Committee which meets as and when required, to deal and monitor redressal of complaints from shareholders relating to transfers, non-receipt of balance sheet, non receipt of dividend declared etc. Typically, the investor grievances are dealt within a fortnight of receipt of the complaint from the investor. As of December 31, 2011 there are no investor grievance pending against FTIL.

Individual Promoters of FTIL

Jignesh P. Shah:

Identification	Details
Passport	Z 2080612
Driving License	MH-02-93-2875
PAN	AELPS9392A

For other details relating to age, educational qualifications and experience in the line of business see section titled "Our Management" on page 194.

Dewang S. Neralla:

Identification	Details
Passport	F 6109322
Driving License	MH-01-95-14000
PAN	AAGPN7261E

Dewang Neralla has been whole time director of FTIL since January 2001. He is the chief technology architect and is the co-founder of FTIL along with Jignesh P. Shah. He plays a large part in creating the technology infrastructure that is central to the group. He holds a bachelor's degree in computer engineering.

Dewang Neralla is responsible for introducing new technology architecture, components and protocols to deliver cutting-edge technology. He has experience in architecture and designing dealing room solutions, internet trading engines, exchange trading systems as well as messaging solutions at FTIL. He also has experience in designing and implementing local area networks (LAN) and wide area networks (WAN) using leased lines, dial-up lines and VSAT linkages based on networking protocols like TCP/IP and X.25.

Prior to this, Dewang Neralla worked with the BSE as a graphical user interface ("**GUI**") front-end software development specialist where he was involved in development of a fully functional prototype of the BOLT system and design, transfer and maintenance of display information driver system (DIDS) software. Dewang has undergone training in the areas of exchange automation technologies with Tandem Corporation (USA).

Personal Address: 501, Rameshwaram, Kashinath Dhuru Road, Palkiwadi, Prabhadevi, Mumbai 400 028

Corporate Promoter of our Promoter

La-Fin Financial Services Private Limited

Natural Persons in Control of La-Fin Financial Services Private Limited:

The following are the natural persons in control of La-Fin Financial Services Private Limited:

S. No.	Name of Person	Percentage of shareholding (%)
1.	Jignesh P. Shah	50.0
2.	Pushpa P. Shah	50.0

There has been no change in control of management of FTIL in the three years preceding the filing of this Red Herring Prospectus.

Interests of the Promoter and Common Pursuits

The Promoter of our Company is interested to the extent of its shareholding in our Company.

Our Company has entered into certain agreements with our Promoter for the provision of software and related services. For details of such agreements, see section titled "History and Certain Corporate Matters" on page 169. Our Promoter has also entered into agreements with our Company for leasing certain premises which our Company has obtained on lease or leave and license basis.

Except as stated otherwise in this Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus in which the Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Except as stated in this Red Herring Prospectus, the Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Payment of benefits to the Promoter

Except as stated in the section titled "Related Party Transactions" on page 245, there has been no payment of benefits to the Promoter during the two years prior to the filing of this Red Herring Prospectus.

Confirmations

Further, the Promoter has not been declared as a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoter in the past or are pending against them except as disclosed in the section titled "Outstanding Litigation" on page 391.

Our Promoter has disassociated from the following companies in the preceding three years:

1. SAFAL National Exchange of India Limited ("Safal")

   Safal was incorporated on June 14, 2006 as a joint venture between FTIL, our Company and Mother Dairy Fruit and Vegetable Private Limited ("Mother Dairy"). Safal was incorporated for the purpose of spot trading in horticulture, floriculture, dairy and allied produce and products. Safal has permanently ceased its operation with effect from March 31, 2009. Our Company and FTIL have entered into a settlement agreement dated June 25, 2010 with Mother Dairy *inter alia* agreeing to terminate the joint venture and to amalgamate Safal with Mother Dairy.

2. Financial Technologies Middle East – FZLLC ("FTME FZLLC")

   FTME FZLLC, a step down subsidiary of FTIL, was incorporated on May 22, 2006. FTME FZLLC was a wholly owned subsidiary of Financial Technologies Middle East DMCC which is a wholly owned subsidiary of FTIL. FTME FZLLC was incorporated to carry on all such business as the Dubai Technology and Media Free Zone Authority may permit under the terms of the license issued to it by this authority. FTME FZLLC was voluntarily liquidated and deregistered with effect from February 28, 2009.

Promoter Group

The following entities form part of the Promoter Group of our Company:

1. FTIL
2. La-Fin Financial Services Private Limited
3. National Bulk Handling Corporation Limited
4. National Spot Exchange Limited
5. Dubai Gold and Commodities Exchange DMCC
6. IBS Forex Limited
7. TickerPlant Limited
8. Atom Technologies Limited
9. Riskraft Consulting Limited
10. Financial Technologies Middle East DMCC
11. Indian Bullion Market Association Limited
12. Indian Energy Exchange Limited
13. Singapore Mercantile Exchange Clearing Corporation Pte Limited
14. Singapore Mercantile Exchange Pte Limited
15. Global Board of Trade Ltd.
16. Global Payment Networks Limited
17. Financial Technologies Communications Limited
18. FT Knowledge Management Company Limited
19. FT Group Investments Private Limited
20. Knowledge Assets Private Limited
21. Trans-Global Credit and Finance Limited
22. Capricorn Fin-Tech (Private) Limited
23. Credit Market Services Limited
24. Apian Finance and Investment Limited
25. Takshashila Academia of Economic Research Limited

26. ICX Platform (Pty) Limited
27. Bahrain Financial Exchange BSC (Closed)
28. Grameen Pragati Foundation
29. Boursa India Limited
30. Bourse Africa Limited
31. Financial Technologies Singapore Pte Ltd.
32. MCX-SX Clearing Corporation Limited
33. FT Projects Limited
34. Financial Technologies Projects Private Limited
35. BFX Clearing and Depository Corporation BSC (Closed)
36. ICX Africa Limited
37. Audit Control and Expertise Global Limited
38. SME Exchange of India Limited

GROUP COMPANIES

Unless otherwise stated none of the companies forming part of Group Companies is a sick company under the meaning of SICA and none of them are under winding up. None of the Group Companies of our Company are listed on any stock exchange.

Five Largest Group Companies (based on turnover)

1. **National Bulk Handling Corporation Limited** ("**NBHC**")

Corporate Information

NBHC was incorporated on April 20, 2005 in India. NBHC is engaged in the business of providing end-to-end solutions in warehousing and bulk handling of Agro commodities, quality certification, grading, price risk management and collateral support.

Interest of the Promoter

Our Promoter, together with its nominees, holds 76,000,000 equity shares aggregating to 92.68% of the paid-up equity share capital of NBHC.

Financial Information

(In ₹ million, except share data)

Particulars	Fiscal		
	2009	2010	2011
Equity Capital	820.00	820.00	820.00
Reserves (excluding revaluation reserves) and surplus	108.34	118.48	224.45
Total Income	1,037.37	901.68	1211.58
Profit After Tax	95.55	10.14	105.97
Earning Per Share (face value ₹ 10 each)	1.44	0.14	1.29
Net asset value per share	11.32	11.44	12.74

2. **Indian Energy Exchange Limited ("IEX")**

Corporate Information

IEX was incorporated on March 26, 2007 in India. The main object of IEX is to establish, operate, regulate and maintain facilities to transact clear and settle trades in various types of electricity and power based contracts.

Interest of our Promoter

Our Promoter holds 9,140,302 equity shares aggregating to 33.49% of the equity share capital of IEX.

Financial Information

(In ₹ million, except share data)

Particulars	Fiscal		
	2009	2010	2011
Equity Capital	266.89	266.89	297.22
Reserves (excluding revaluation reserves) and surplus	(34.26)	4.11	476.62
Total Income	135.01	220.93	410.50
Profit After Tax	(34.77)	38.37	188.06
Earning Per Share (face value ₹ 10 each)	(1.40)	1.44	6.91
Net asset value per share#	8.72	10.15	28.99

#Excluding compulsorily convertible preference shares

3. **National Spot Exchange Limited** ("**NSEL**")

Corporate Information

NSEL was incorporated on May 18, 2005 in India. NSEL is engaged in the business of creating an integrated common market for trading of agricultural produce from all over India and to provide national level price discovery in agricultural spot prices.

Interest of our Promoter

Our Promoter, together with its nominees, holds 44,999,900 equity shares aggregating to approximately 99.99% of the equity share capital of NSEL.

Financial Information

(In ₹ million, except share data)

Particulars	Fiscal		
	2009	2010	2011
Equity Capital	300.00	450.00	450.00
Reserves (excluding revaluation reserves) and surplus	(57.65)	(121.95)	(95.88)
Total Income	194.72	210.23	1548.60
Profit After Tax	47.54	(64.30)	26.07
Earning Per Share (face value ₹ 10 each)	3.14	(1.88)	0.58
Net asset value per share	8.08	7.29	7.87

4. **Indian Bullion Market Association Limited** ("**IBMA**")

Corporate Information

IBMA was incorporated on June 15, 2007 in India. The main objects of IBMA are to operate a bullion exchange and to transact, clear and settle trades in various securities.

Interest of our Promoter

National Spot Exchange Limited, a wholly owned subsidiary of our Promoter, holds 7,124,085 equity shares aggregating to 49% of the equity share capital of IBMA.

Financial Information

(In ₹ million, except share data)

Particulars	Fiscal		
	2009	2010	2011
Equity Capital	0.50	108.51	171.77
Reserves (excluding revaluation reserves) and surplus	(0.89)	(28.56)	(22.24)
Total Income	Nil	193.07	4621.42
Profit After Tax	(0.02)	(27.68)	6.33
Earning Per Share (face value ₹ 10 each)	(0.37)	(3.44)	0.58
Net asset value per share	(7.73)	7.37	10.28

5. **TickerPlant Limited ("TickerPlant")**

Corporate Information

TickerPlant was incorporated as TickerPlant Infovending Limited on February 4, 2005 in India. Subsequently, the name of the company was changed to TickerPlant Limited on February 23, 2009. The main object of TickerPlant is to provide information technology enabled services particularly in the fields of commodities, foreign exchange and equity.

Interest of our Promoter

TickerPlant is a wholly owned subsidiary of our Promoter (together with its nominees).

Financial Information

(In ₹ million, except share data)

Particulars	Fiscal		
	2009	2010	2011
Equity Capital	400.00	400.00	700.00
Reserves (excluding revaluation reserves) and surplus	(257.59)	(527.69)	(844.05)
Total Income (including other income)	32.11	81.17	146.97
Profit After Tax	(157.78)	(270.10)	(316.37)
Earning Per Share (face value ₹ 10 each)	(7.28)	(6.75)	(5.57)
Net asset value per share	3.56	(3.19)	(2.06)

Group Companies with negative net worth

1. **Bourse Africa Limited ("Bourse Africa")**

Corporate Information

Bourse Africa was incorporated on September 12, 2007 as Multi Commodity Exchange of Africa Limited in Botswana, Africa. Subsequently, its name was changed to Bourse Africa Limited. The main objects of Bourse Africa are to offer both derivatives and spot contracts, to focus on offering derivative products on pan-African commodities with an international profile and also offer spot products with respect to various critical commodities produced and traded in the different African countries.

Interest of our Promoter

FT Group Investments Private Limited ("**FTGIPL**"), a wholly owned subsidiary of our Promoter, holds 14,800 equity shares aggregating to 74.00% of the equity share capital of Bourse Africa. FTGIPL has also invested an amount of USD 25 million and USD 10 million by way of subscription to equity shares on November 28, 2011 and December 2, 2011 respectively. However, the allotment of equity shares is pending.

Financial Information

(In ₹ million, except share data#)

Particulars	Fiscal		
	2009	2010	2011
Equity Capital	1.04	0.90	0.91
Reserves (excluding revaluation reserves) and surplus	(61.55)	(118.55)	(187.21)
Income (including other income)	0.51	Nil	Nil
Profit After Tax	(54.85)	(68.54)	(68.41)
Earning Per Share	(2,742.72)	(3,427.14)	(3,420.53)
Net asset value per share	(3025.98)	(5882.72)	(9315.33)

Bourse Africa reports its financial information in USD. For conversion into INR, see section titled 'Certain Conventions; Use of Market Data - Exchange Rates' on page 13.

2. **Capricorn Fin-Tech (Private) Limited ("Capricorn")**

Corporate Information

Capricorn was incorporated on March 25, 2008 in Bangladesh. Capricorn has been incorporated to act as service or facility builder, owner, transferor and provider of facility for present and future automated electronic markets in the areas of finance and technology like foreign exchange, commodity, debts, treasuries, insurance and bank.

Interest of our Promoter

Financial Technologies Middle East DMCC, a wholly owned subsidiary of our Promoter, holds 99 equity shares aggregating to 99.00% of the equity share capital of Capricorn.

Financial Information

(In ₹ million, except share data[##])

Particulars	Fiscal		
	2009	2010	2011
Equity Capital	0.08	0.07	0.07
Reserves (excluding revaluation reserves) and surplus	(0.30)	(0.26)	(0.27)
Total Income	Nil	Nil	Nil
Profit After Tax	(0.26)	(0.00)*	(0.00)[#]
Earning Per Share (face value AED 60 each)	(2,640.82)	(23.24)	(40.48)
Net asset value per share	(2,118.33)	(1,863.91)	(1,915.99)

[*] Profit after tax for Fiscal 2010 is ₹ (2,323.89)

[#]Profit after tax for Fiscal 2011 is ₹ (4,047.81)

[##] Capricorn reports its financial information in AED. For conversion into INR, see section titled 'Certain Conventions; Use of Market Data - Exchange Rates' on page 13.

3. **Financial Technologies Communications Limited ("FTCL")**

Corporate Information

FTCL was incorporated on March 13, 2007 in India. The main object of FTCL is to establish, develop, provide, operate and maintain all types of telecommunication services, including Internet Service Provider, data communication and other like forms of communication.

Interest of our Promoter

FTCL is a wholly owned subsidiary of our Promoter (together with its nominees).

Financial Information

(In ₹ million, except share data)

Particulars	Fiscal		
	2009	2010	2011
Equity Capital	0.50	0.50	0.50
Reserves (excluding revaluation reserves) and surplus	(3.05)	(10.69)	(5.31)
Total Income	Nil	17.71	38.16
Profit After Tax	(0.80)	(7.64)	5.38
Earning Per Share (face value ₹ 10 each)	(16.02)	(152.86)	107.69
Net asset value per share	(51.02)	(203.86)	(96.18)

4. **FT Group Investments Private Limited ("FTGIPL")**

Corporate Information

FTGIPL was incorporated on March 28, 2007 in Mauritius. FTGIPL has been incorporated to establish/ acquire/ hold investments globally in an automated electronic market place and/or software company and/or knowledge based company.

Interest of our Promoter

FTGIPL is a wholly owned subsidiary of our Promoter. Further, our Promoter also holds 15 million optionally convertible preference shares of USD 1.0 each, constituting the entire preference shareholding of FTGIPL.

Financial Information

(In ₹ million, except share data##)

Particulars	Fiscal		
	2009	2010	2011
Equity Capital	3.11	2.70	2.72
Reserves (excluding revaluation reserves) and surplus	(4.53)	4.74	(10.43)
Total Income	4.62	14.96	18.89
Profit After Tax	0.81	9.14	(15.31)
Earning Per Share (face value USD 1 each)	13.50	152.32	(255.08)
Net asset value per share#	(23.67)	123.94	(128.52)

 # Excluding optionally convertible preference shares.

FTGIPL reports its financial information in USD. For conversion into INR, see section titled 'Certain Conventions; Use of Market Data - Exchange Rates' on page 13.

5. **FT Knowledge Management Company Limited ("FTKMC")**

Corporate Information

FTKMC was incorporated on September 7, 2007 in India as FT Knowledge Centre Limited. The company received a fresh certificate of incorporation on October 23, 2007 pursuant to the change in its name. The main object of FTKMC is to provide training and other related activities with regard to commodity and stock markets.

Interest of our Promoter

FTKMC is a wholly owned subsidiary of our Promoter (together with its nominees).

Financial Information

(In ₹ million, except share data)

Particulars	Fiscal		
	2009	2010	2011
Equity Capital	37.50	37.50	37.50
Reserves (excluding revaluation reserves) and surplus	(31.25)	(45.33)	(34.20)
Income (including other income)	25.84	42.11	68.28
Profit After Tax	(20.33)	(14.08)	11.13
Earning Per Share (face value ₹ 10 each)	(13.65)	(3.76)	2.97
Net asset value per share	1.67	(2.09)	0.88

6. **ICX Platform (Pty) Limited ("ICX")**

Corporate Information

ICX was incorporated on October 11, 2007 in South Africa. ICX is engaged in the business of supplying services and related activities for the commodity exchange in Africa.

Interest of our Promoter

Our Promoter holds 90 equity shares aggregating to 90.00% of the equity share capital of ICX.

Financial Information

(In ₹million, except share data#)

Particulars	Fiscal		
	2009	**2010**	**2011**
Equity Capital	0.00*	0.00*	0.00*
Reserves (excluding revaluation reserves) and surplus	(7.69)	(9.25)	(17.71)
Total Income (including other income)	13.97	7.01	6.84
Profit After Tax	(7.56)	(0.45)	(7.33)
Earning Per Share (face value ZAR 1 per share)	(75624.19)	(4,516.47)	(73,345.78)
Net asset value per share	(76,907.26)	(92,466.26)	(177,138.88)

* *The Equity Capital for Fiscal 2009, 2010 and 2011 was ₹532.49, ₹ 608.77 and ₹ 661.53 respectively.*

\# *ICX reports its financial information in ZAR. For conversion into INR, see section titled 'Certain Conventions; Use of Market Data - Exchange Rates' on page 13.*

7. **Knowledge Assets Private Limited ("KAPL")**

Corporate Information

KAPL was incorporated on March 28, 2007 in Mauritius. KAPL was incorporated to establish/ acquire/ hold investments globally in an automated electronic market place and/or software company and/or knowledge based company.

Interest of our Promoter

KAPL is a wholly owned subsidiary of our Promoter.

Financial Information

(In ₹million, except share data)*

Particulars	Fiscal		
	2009	**2010**	**2011**
Equity Capital	0.52	0.45	0.45
Reserves (excluding revaluation reserves) and surplus	(0.91)	(1.26)	(1.50)
Total Income (including other income)	Nil	Nil	Nil
Profit After Tax	(0.38)	(0.50)	(0.23)
Earning Per Share (face value USD 1 each)	(37.55)	(49.65)	(22.80)
Net asset value per share	(39.32)	(81.30)	(104.44)

\# *KAPL reports its financial information in USD. For conversion into INR, see section titled 'Certain Conventions; Use of Market Data - Exchange Rates' on page 13.*

8. **Riskraft Consulting Limited ("Riskraft")**

Corporate Information

Riskraft was incorporated on November 28, 2005 in India. The main object of Riskraft is to carry on the business of providing consulting services and solutions in the area of risk management for banks, financial institutions, insurance companies, stock exchanges, stock broking houses, commodity exchanges, housing finance companies, asset management companies, investment banking firms, hedge funds etc.

Interest of our Promoter

Riskraft is a wholly owned subsidiary of our Promoter (together with its nominees).

Financial Information

(In ₹ million, except share data)

Particulars	Fiscal		
	2009	**2010**	**2011**
Equity Capital	50.00	50.00	70.00
Reserves (excluding revaluation reserves) and surplus	(69.84)	(59.63)	(63.43)
Total Income (including other income)	6.65	33.26	4.19
Profit After Tax	(22.58)	10.21	(3.80)
Earning Per Share (face value ₹ 10 each)	(4.51)	2.04	(0.62)
Net asset value per share	(3.97)	(1.93)	0.94

9. **Takshashila Academia of Economic Research Limited ("TAER")**

Corporate Information

TAER was incorporated on June 9, 2008 in India. The main object of TAER is to promote research on commodities leading to the publication of commodity reports and manuals for trading in commodity derivatives, etc.

Interest of our Promoter

TAER is a wholly owned subsidiary of our Promoter (together with its nominees).

Financial Information

(In ₹ million, except share data)

Particulars	Fiscal		
	2009	**2010**	**2011**
Equity Capital	0.50	0.50	0.50
Reserves (excluding revaluation reserves) and surplus	(7.66)	(16.22)	(15.28)
Total Income (including other income)	8.99	23.37	28.12
Profit After Tax	(7.66)	(8.55)	0.93
Earning Per Share (face value ₹ 10 each)	(188.97)	(171.07)	18.69
Net asset value per share	(143.24)	(314.30)	(295.62)

10. **Atom Technologies limited** ("**Atom**")

Corporate Information

Atom was incorporated on October 13, 2005 in India. The main object of Atom is to carry on the business of providing information technology services to any type of electronic transactions or e-purse transactions or debit/credit card transactions through mobile phones or any wireless or any other devices and to offer services, particularly in the fields of commodities, equity, forex and finance.

Interest of our Promoter

Our Promoter, together with its nominees, holds 581,456,250 equity shares aggregating to 99.83% of the equity share capital of Atom.

Financial Information

(In ₹ million, except share data)

Particulars	Fiscal		
	2009	**2010**	**2011**
Equity Capital	150.00	332.44	332.44
Reserves (excluding revaluation reserves) and surplus	(117.90)	(251.57)	(433.64)

Particulars	Fiscal		
	2009	2010	2011
Total Income (including other income)	17.65	62. 80	100.53
Profit After Tax	(122.86)	(133.67)	(182.07)
Earning Per Share (face value Re. 1 each)	(6.48)	(0.52)	(0.55)
Net asset value per share	0.21	0.24	(0.30)

11. **Financial Technologies Projects Private Limited, Mauritius ("FTPPL")**

Corporate Information

FTPPL was incorporated on April 23, 2010 in Mauritius. The main objects of FTPPL are to do global business of information technologies, to act as a service or facility provider, owner, transferor and facility for present and future automated electronic markets in the areas of finance and technology like foreign exchange, commodities, debts, treasuries, securities, insurance, bank and exchange related activities.

Interest of our Promoter

FTPPL is a wholly owned subsidiary of our Promoter.

Financial Information

(In ₹ million, except share data#)

Particulars	Fiscal
	2011
Equity Capital	0.01
Reserves (excluding revaluation reserves) and surplus	(0.05)
Total Income (including other income)	0.00*
Profit After Tax	(0.04)
Earning Per Share (face value Re. 1 each)	(8.83)
Net asset value per share	(7.85)

* *The Total Income for Fiscal 2011 was ₹3,607.76*

\# *FTPPL reports its financial information in MUR. For conversion into INR, see section titled 'Certain Conventions; Use of Market Data - Exchange Rates' on page 13.*

12. **TickerPlant Limited ("TickerPlant")**

For details in relation to TickerPlant, see section titled "Group Companies" on page 228.

13. **Indian Bullion Market Association Limited ("IBMA")**

For details in relation to IBMA, see section titled "Group Companies" on page 228.

Note: Net asset value per share is calculated as Networth/ Number of shares

Details of other Group Companies

1. **Dubai Gold and Commodities Exchange DMCC** ("**DGCX**")

Corporate Information

DGCX was incorporated on July 19, 2005 in Dubai. DGCX is engaged in business as a demutualised, fully electronic commodities and currencies exchange based in Dubai.

Interest of our Promoter

Our Promoter holds 1,900 equity shares aggregating to 18.58% of the equity share capital of DGCX.

2. **IBS Forex Limited ("IBS")**

Corporate Information

IBS was incorporated on February 9, 2001 in India. The main object of IBS is to undertake the business of foreign exchange dealers, brokers, consultants and to deal in instruments denominated in foreign currencies and to undertake all acts permitted by the RBI in the conduct of forex business in India or abroad either through electronics trading exchanges, platforms and the internet.

Interest of our Promoter

Our Promoter holds 6,040,000 equity shares aggregating to 86.30% of the equity share capital of IBS.

3. **Financial Technologies Middle East DMCC ("FTME")**

Corporate Information

FTME was incorporated on August 1, 2005 in Dubai. The main object of FTME is to provide technology and software services.

Interest of our Promoter

FTME is a wholly owned subsidiary of our Promoter.

4. **Singapore Mercantile Exchange Clearing Corporation Pte Limited ("SMXCCL")**

Corporate Information

SMXCCL was incorporated on February 12, 2007 in Singapore. SMXCCL has been incorporated to provide clearing and settlement facilities for Singapore Mercantile Exchange Pte Limited.

Interest of our Promoter

SMXCCL is a wholly owned subsidiary of Singapore Mercantile Exchange Pte Ltd.

5. **Singapore Mercantile Exchange Pte Limited ("SMX")**

Corporate Information

SMX was incorporated on November 15, 2006 in Singapore. SMX has been incorporated to establish, operate, regulate, maintain and manage an electronic commodity exchange based at Singapore.

Interest of our Promoter

SMX is a wholly owned subsidiary of Financial Technologies Singapore Pte. Ltd.

6. **Global Board Of Trade Ltd.** ("**GBOT**")

Corporate Information

GBOT was incorporated on December 18, 2006 in Mauritius. GBOT has been incorporated to establish, operate and regulate a multi-assetclass exchange based in Mauritius.

Interest of our Promoter

GBOT is a wholly owned subsidiary of our Promoter. Our Promoter also holds 510 million preference shares of USD 0.1 each, constituting the entire preference shareholding of GBOT.

7. **Trans-Global Credit & Finance Limited ("Trans-Global")**

Corporate Information

Trans-Global was incorporated on February 9, 2008 in India. The main object of Trans-Global is to promote, and/or to invest, whether directly or indirectly, in the financial services business.

Interest of our Promoter

Trans-Global is a wholly owned subsidiary of our Promoter (together with its nominees).

8. **Credit Market Services Limited ("CMSL")**

Corporate Information

CMSL was incorporated on February 27, 2008 in India as Credit Market Services Private Limited. The name of the company was changed to Credit Market Services Limited on June 16, 2008 pursuant to its conversion to a public limited company and it received a fresh certificate of incorporation pursuant to change in its name on June 16, 2008. It was acquired by our Promoter on May 23, 2008. The main object of CMSL is to undertake the wide varieties of activities to foster development of credit market.

Interest of our Promoter

Our Promoter, together with its nominees, holds 5,249,900 equity shares aggregating to 99.99% of the equity share capital of CMSL.

9. **Apian Finance and Investment Limited ("Apian")**

Corporate Information

Apian was incorporated on March 2, 1993 in India. It was acquired by our Promoter on April 30, 2008. The main object of Apian is to carry on in India or elsewhere the business of a finance and investment company.

Interest of our Promoter

Our Promoter, together with its nominees, holds 4,313,845 equity shares aggregating to 99.99% of the equity share capital of Apian.

10. **Bahrain Financial Exchange BSC (Closed) ("BFX")**

Corporate Information

BFX was incorporated on September 18, 2008 in the Kingdom of Bahrain. The main object of BFX is to carry on the business of owning and operating exchanges and markets and clearing and settlement corporations. The company can offer trading and clearing services in multiple asset classes.

Interest of our Promoter

FT Group Investments Private Limited, Mauritius, a wholly owned subsidiary of our Promoter holds 43,512,500 equity shares of USD 1 each, aggregating to 87.02% of the equity share capital of BFX.

Financial Technologies Middle East, DMCC, another wholly owned subsidiary of our Promoter holds 6,487,500 equity shares aggregating to 12.98% of the equity share capital of BFX.

11. **Grameen Pragati Foundation ("GPF")**

Corporate Information

GPF was incorporated on July 25, 2008, under Section 25 of the Companies Act, 1956 in India. The main object of GPF is to provide both technology and feet on street for banking in remote rural areas.

Interest of our Promoter

Atom Technologies Limited, a subsidiary of our Promoter, together with its nominees, holds 5,000 equity shares aggregating to 10.00% of the equity share capital of GPF.

12. **Boursa India Limited ("Boursa India")**

Corporate Information

Boursa India was incorporated on February 16, 2009 in India. The main object of Boursa India is to establish, operate, and maintain facilities in India and overseas enabling authorised users, their agents, constituents and other participants to transact, clear and settle trades executed on the online platform in different types of contracts in currencies and all other asset classes, other instruments, derivatives thereof in ready, forward and futures markets.

Interest of our Promoter

Boursa India is a wholly owned subsidiary of our Promoter (together with its nominees).

13. **Financial Technologies Singapore Pte Ltd. ("FTSPL")**

Corporate Information

FTSPL was incorporated on April 15, 2009 in Singapore. FTSPL has been incorporated as an approved investment holding company of the Singapore Mercantile Exchange Pte. Ltd. for complying with local regulatory requirements.

Interest of our Promoter

FTSPL is a wholly owned subsidiary of our Promoter.

14. **MCX-SX Clearing Corporation Limited ("MCX-SX CCL")**

Corporate Information

MCX-SX CCL was incorporated on November 7, 2008 in India. The main object of MCX-SX CCL is to act as a central counterparty to all trades and facilitate clearing and settlement of the trades executed.

Interest of our Promoter

Our Promoter holds 5,750,000 equity shares aggregating to 23.00% of the equity share capital of MCX-SX CCL.

15. **BFX Clearing and Depository Corporation BSC (Closed) ("BCDC")**

Corporate Information

BCDC was incorporated on March 29, 2010 in Bahrain. The main object of BCDC is to carry on business as a commercial company, including without limitation, to carry on the business of a clearing and settlement corporation for securities, commodities, currencies, derivatives and all kinds of financial instruments, acting as depository and custodian of all types of securities wherever and by whosoever issued, providing risk management services, providing functions of a clearing and settlement bank and payment agents, providing services of securities lending and borrowing, and in doing so to act in accordance with the duties imposed by law.

Interest of our Promoter

Bahrain Financial Exchange BSC (Closed) holds 9,990,000 equity shares of BCDC, aggregating to 99.9% of the equity share capital of BCDC. FT Group Investments Private Limited, another wholly owned subsidiary of our Promoter holds remaining 10,000 equity shares, aggregating to 0.10% of the capital of BCDC.

16. **Global Payment Networks Limited ("GPNL")**

Corporate Information

GPNL was incorporated on March 5, 2007 in India. The main object of GPNL is to carry on the business of providing a secure electronic payment highway for bankcard transactions, merchant acquisition and servicing.

Interest of our Promoter

GPNL is a wholly owned subsidiary of our Promoter (together with its nominees).

17. **ICX Africa Limited ("ICX Africa")**

Corporate Information

ICX Africa was incorporated on July 26, 2011 in Botswana, Africa. ICX is engaged in the business of supplying technology services and related activities for the commodity exchange in Africa

Interest of our Promoter

ICX Africa is wholly owned subsidiary of Bourse Africa Limited, a step down subsidiary of our Promoter.

18. **SME Exchange of India Limited ("SME")**

Corporate Information

SME was incorporated on September 14, 2010 in India. SME intends to operate as a stock exchange to enable its members to transact, clear and settle trades in the small and medium enterprises equity and derivative segments.

Interest of our Promoter

Our Promoter, together with its nominees, holds 49,000 equity shares aggregating to 49.00% of the equity share capital of SME.

19. **FT Projects Limited ("FTPL")**

Corporate Information

FTPL was incorporated on May 18, 2010 in India. The primary business of FTPL is real estate and infrastructure-related business.

Interest of our Promoter

FTPL is a wholly owned subsidiary of our Promoter (together with the nominees).

Nature and Extent of Interest of Group Companies

(a) In the promotion of the Company

None of the Group Companies have any interest in the promotion of our Company.

(b) In the properties acquired in the past two years before filing of the Draft Red Herring Prospectus with SEBI or proposed to be acquired by our Company

None of the Group Companies have any interest in the properties acquired in the past two years before filing the Draft Red Herring Prospectus with SEBI or proposed to be acquired by our Company.

(c) In transactions for acquisition of land, construction of building and supply of machinery

None of the Group Companies have any interest in any transaction for the acquisition of land, construction of buildings and supply of machinery by our Company.

Common Pursuits

Some of our Group Companies undertake operations which are similar as well as ancillary to the operations conducted by the Company including setting up and maintaining facilities for settling trades, creating integrated market for trading, providing end-to-end solutions in warehousing and bulk handling, telecommunication services, training and research, investment in automated electronic market place or software companies or knowledge based companies, consulting services, dealing in foreign currency denominated instruments, technology and software services and others. The reason and justification for our Group Companies to undertake such pursuits is to endeavour to create and provide end to end services in the securities, financial and commodities markets. Whilst most of these Group Companies operate in jurisdictions outside India, to the extent they operate such activities in India, they may have interests in ventures that are involved in activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted and specified by law to address any conflict of interest as and when such conflict may arise. For further details, see section titled "Related Party Transactions" on page 245.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of the Company

For details, please see section titled "Related Party Transactions" on page 245.

Sale/Purchase between the Group Companies, associates and Subsidiaries

For details, see section titled "Related Party Transactions" on page 245.

Interest of Group Companies, associates and Subsidiaries

Except as stated in "Related Party Transactions", there are no interests of the Group Companies, associates or our Subsidiary in our Company.

OTHER COMPANIES

MCX-SX was promoted by us and our Promoter, FTIL in 2008. However, as of the date of this Red Herring Prospectus, we or FTIL do not hold majority/controlling shareholding in MCX-SX.

Scheme of Reduction of Capital of MCX-SX

MCX-SX has implemented a scheme of reduction of capital (the "**Scheme**") with the sanction of the Bombay High Court by an order dated March 12, 2010 under the applicable provisions of the Companies Act in connection with reduction and cancellation of 1,196,630,000 equity shares of Re. 1 each of MCX-SX and adjustment of the consideration of reduction by allotment of equal number of warrants to the shareholders of MCX-SX. Pursuant to the Scheme, our Company's shareholding in MCX-SX was reduced to 27,165,000 equity shares, representing 5% of the paid up equity share capital of MCX-SX, by the cancellation of 617,135,000 equity shares for a consideration payable by MCX-SX to our Company aggregating to ₹ 617,135,000. The said consideration was adjusted against the non-refundable interest free deposit to be paid by our Company to MCX-SX towards warrants to be issued to it under the Scheme. Our Company was allotted 617,135,000 warrants on March 22, 2010 against the aforementioned interest free deposit. The warrants are also freely transferable by endorsement and delivery and do not carry voting or dividend rights. The Company cannot increase, at any point of time, their shareholding in MCX-SX beyond permissible limits under MIMPS Regulations. Additionally, our Company had purchased 17,035,000 warrants from IL&FS in March 2010. Each warrant will entitle the holder of a warrant to subscribe to one equity share of face value of Re. 1 each of MCX-SX at any time after 6 months from the date of issue. MCX-SX has implemented the Scheme in order to ensure full compliance with Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges) Regulations, 2006 ("**MIMPS Regulations**") and in order to comply with Regulation 8 and Regulation 9(2) of the MIMPS Regulations, our Company and FTIL were required to reduce their shareholding in MCX-SX to 5% each. For further details, see sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operation" on page 365.

MCX-SX is not a sick company under the meaning of SICA and is not subject to winding up proceedings. Further, MCX-SX is an unlisted company and it has not made any public issue of securities in the preceding three years.

The details of MCX-SX are set forth below:

Corporate Information

MCX-SX was incorporated on August 14, 2008 under the provisions of the Companies Act. The registered office of MCX-SX is situated at Exchange Square, Suren Road, Andheri (East), Mumbai 400 093. MCX-SX is a stock exchange recognised by SEBI and it currently has approval for operating currency derivatives segment.

Interest of the Promoter

FTIL holds 27,165,000 paid up equity shares aggregating to 4.9973% of the equity share capital of MCX-SX. It also holds 562,460,000 warrants allotted subsequently on cancellation of 562,460,000 equity shares of Re. 1 each, pursuant to the Scheme.

Financial Information

(In ₹ million, except share data)

Particulars	Fiscal 2011	Fiscal 2010	Fiscal 2009
Equity Capital	537.87	537.87	1,350.00
Reserves (excluding revaluation reserves) and surplus	2021.71	2,599.69	(298.74)
Income (including other income)	391.50	295.24	75.82
Profit After Tax	(577.97)	(562.07)	(298.74)
Earning Per Share (face value Re. 1 each)	(1.07)	(0.36)	(0.28)
Net asset value per share	4.76	5.83	0.78

MCX-SX does not have a negative networth.

Nature and Extent of Interest of MCX-SX

(a) ***In the promotion of our Company***

MCX-SX does not have any interest in the promotion of our Company.

(b) ***In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI***

MCX-SX is not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus with SEBI.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***

MCX-SX is not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits amongst MCX-SX and our Company

Other than as set out below, MCX-SX and our Company have no common pursuits:

MCX-SX, FTIL and our Company have jointly promoted MCX-SX-CCL, a limited company under the laws of India. Our Company holds 26% of the equity share capital of MCX-SX-CCL and MCX-SX holds 51% of its equity share capital.

Related Business Transactions within MCX-SX and Significance on the Financial Performance of our Company

For details, see section titled “Related Party Transactions” on page 245.

Sale/Purchase with MCX-SX

For details, see section titled “Related Party Transactions” on page 245.

Business Interest of MCX-SX in our Company

MCX-SX has no business interest in our Company.

Defunct Companies

MCX-SX is not defunct and no application has been made to the registrar of companies for striking off its name, during the five years preceding the date of filing this Red Herring Prospectus.

Public issue or rights issue

MCX-SX has not made any public or rights issue in the last three years preceding the date of filing this Red Herring Prospectus.

Outstanding litigation involving MCX-SX

Cases filed against MCX-SX

MCX-SX had filed an application with SEBI on April 7, 2010 seeking permission for dealing in interest rate derivatives, equity, futures and options on equity and wholesale debt segments and all other segments. SEBI by its order dated September 23, 2010 (the “**Order**”) rejected the application for reasons *inter alia* non-compliance with the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges) Regulations, 2006 (“**MIMPS Regulations**”).

MCX-SX had implemented a scheme of reduction of capital ("**Scheme**") with the approval of the Bombay High Court. Pursuant to the Scheme, our Company's shareholding in MCX-SX was reduced to 27,165,000 equity shares, representing 5% of the paid up equity share capital of MCX-SX, by the cancellation of 617,135,000 equity shares for a consideration payable by MCX-SX to our Company aggregating to ₹ 617,135,000. The said consideration was adjusted against the non-refundable interest free deposit to be paid by our Company to MCX-SX towards warrants to be issued to it under the Scheme. The Company was allotted 617,135,000 warrants on March 22, 2010 against the aforementioned interest free deposit. These warrants are transferable by endorsement and delivery. Additionally, our Company had purchased 17,035,000 warrants from IL&FS in March 2010. In terms of the SEBI Order, the aforesaid reduction of capital under the Scheme does not comply with the MIMPS Regulations, as the reduction as undertaken is not one of the recognised modes under the provisions of the MIMPS Regulations and the Company and FTIL are persons acting in concert. In addition, the SEBI Order states that: (i) the concentration of economic interest in MCX-SX in the hands of the Company and FTIL is not in the interest of a well regulated securities market; (ii) MCX-SX has not disclosed complete information on arrangements regarding ownership of its shares; and (iii) the buy back transactions are not permitted under the SCRA.

MCX-SX has filed a writ petition dated October 29, 2010 before the Bombay High Court challenging this SEBI order. The writ petition is currently pending.

Cases filed by MCX-SX

1. MCX-SX has initiated proceedings against the National Stock Exchange of India Limited, ("**NSE**"), in November 2009 before the Competition Commission of India ("**CCI**") under section 19(1) of the Competition Act, 2002, as amended ("**Competition Act**").

   In these proceedings, MCX-SX has filed a complaint before the CCI contending that the NSE has infringed Section 4 of the Competition Act by waiving the transaction fees, data-feed fees and the admission fees in respect of the currency derivative segment, which, in turn, compelled the MCX-SX to provide such services free of cost in this segment. MCX-SX has accordingly initiated the proceedings seeking directions to the NSE to discontinue the waivers for transaction fees, data-feed fees and the admission fees in respect of the currency derivative segment and require the NSE to require its members to maintain deposits in the said segment equal to that in the other segments of the NSE. CCI has pursuant to its order dated March 30, 2010 confirmed a prima facie case of violation of the provisions of the Competition Act against NSE and has directed the Director General, Investigation to investigate the matter further. Accordingly, the Director General, Investigation had submitted its report on September 22, 2010. The CCI, by its final order dated June 23, 2011 has held that NSE is in contravention of Section 4 of the Competition Act and has imposed a penalty of ₹ 555 million on NSE. CCI has also directed NSE, amongst others, to cease and desist from unfair pricing, exclusionary conduct and unfairly using its dominant position in other market, to maintain separate accounts for each segment from April 1, 2012. NSE has filed an appeal challenging the CCI order before the Competition Appellate Tribunal and has sought interim stay against payment of penalty and the direction relating to maintenance of separate accounts. NSE has also sought for stay against filing of compensation claim by MCX-SX. The Competition Appellate Tribunal, by its order dated September 8, 2011 has granted a stay from payment of the penalty of ₹ 555 million by NSE provided NSE submits an undertaking that an interest at the rate of 9% would be paid on the final amount decided in the appeal. NSE was required to submit this undertaking within a period of two weeks. The matter is currently pending.

2. MCX-SX had filed a criminal complaint on May 18, 2011 before the Judicial Magistrate, First Class, Surat against Mr. Ajay Shah for defamation in respect of the article "Reliance ADAG Consent Terms", published in his blog, wherein he has defamed MCX-SX. The Court has ordered police investigation in the case. The matter is currently pending.

Notice received by MCX-SX

1. SEBI has issued a show cause notice under the SCRA and the Securities and Exchange Board of India Act, 1992 (no. MRD/DSA/OW/29172/2011) (the "**Show Cause Notice**") dated September 13, 2011 against MCX-SX. MCX-SX had submitted an application dated June 13, 2011 to SEBI for renewal of the recognition of MCX-SX. In the Show Cause Notice, SEBI has stated that the buyback arrangements

entered into by MCX-SX are in the nature of derivatives which are neither traded nor settled on any recognised stock exchange and are therefore in breach of the provisions of the SCRA. SEBI has asked MCX-SX to show cause as to why its application for renewal of recognition should not be rejected. However, SEBI, by a letter (no. MRD/DSA/OW/29211/2011) dated September 13, 2011 has granted a conditional renewal of recognition for a further period of one year till September 15, 2012. The said conditional renewal of the recognition is subject to the decision to be taken on the Show Cause Notice by SEBI and the conclusion of the pending court proceedings in the writ petition filed by MCX-SX before the Bombay High Court. MCX-SX has, pursuant to its letter dated October 3, 2011 to SEBI, requested that the further proceedings in this regard should be kept in abeyance until the pendency of the writ petition.

2. The Deputy Superintendent of Stamps, General Stamp Office, Mumbai (**"Department"**) by its notice dated June 11, 2010 (**"Notice"**) had conveyed to MCX-SX that the order of the High Court of Bombay passing the scheme of amalgamation (**"Scheme"**) in the matter of reduction of capital under Section 391 to 394 of the Companies Act, 1956 was chargeable with stamp duty of ₹ 9,774,023 under Article 25(da) of the Bombay Stamp Act, 1958. MCX-SX has submitted its reply with the Department on July 9, 2010, stating that the Order is not subject to payment of stamp duty under the provisions of the Bombay Stamp Act, 1958. MCX-SX has further requested the Department to drop the notice and adjudicate the Order with nil duty. MCX-SX has also made oral submissions in this regard in the hearing on January 14, 2011. The matter is currently pending.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants in India, see the sections "Financial Statements – Annexure IV – Notes to the consolidated summary statements, as restated – Related Party Information" and "Financial Statements – Annexure IV – Notes to the standalone summary statements, as restated – Related Party Information" on pages 262 and 314, respectively.

DIVIDEND POLICY

The declaration and payment of dividends is recommended by our Board of Directors and approved by our shareholders. The declaration of dividend will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. Our Board may also from time to time declare and pay interim dividend. The dividends paid by our Company in the last five fiscal years are as provided below:

	Fiscal				
	2007	**2008**	**2009**	**2010**	**2011**
Face value of Equity Share (per share)*	10	5	5	5	10
Dividend on Equity Shares (in ₹ million)	857.64	234.62	205.29	203.99	254.99
Dividend rate (%)	220%	60%	50%	50%	50%
Dividend tax (in ₹ million)	120.27	39.87	34.89	33.88	41.37

** Equity shares of the face value of ₹ 10 each were subdivided to Equity Shares of the face value of ₹ 5 each pursuant to a resolution of our shareholders passed at the AGM held on September 1, 2007. Subsequently, the Equity shares of the face value of ₹5 each have been consolidated to Equity Shares of the face value of ₹ 10 each pursuant to a resolution of our shareholders passed at the EGM held on March 14, 2011.*

However, the amounts paid as dividends in the past are not necessarily indicative of our dividend amounts, if any payable or to be paid, or our dividend policy, in the future.

SECTION V

FINANCIAL STATEMENTS

The Board of Directors
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255
Suren Road, Andheri (East)
MUMBAI 400 093

25 January 2012

Dear Sirs

Auditors' Report on Consolidated Financial Information ('CFI') prepared by Multi Commodity Exchange of India Limited ('the Company'), for inclusion in the offer document in connection with the proposed offer for sale of equity shares of the Company

1. We have examined the attached consolidated financial information ('CFI') of Multi Commodity Exchange of India Limited ('the Company') and its subsidiaries and associate [refer Note 1 to Annexure IV-II below for list of entities included in consolidated financial information] (collectively referred to as 'the Group'), comprising summary Consolidated Statement of Assets and Liabilities, as restated, summary Consolidated Statement of Profit and Loss, as restated, summary Consolidated Statement of Cash flows, as restated and other consolidated financial information explained in paragraph 9 below, as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II to the Companies Act, 1956 ('the Act'), the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 as amended to date ('SEBI ICDR Regulations') and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 6 January 2012 in connection with the proposed offer for sale of Equity shares of the Company.

2. The above financial information have been prepared by the management from the audited consolidated financial statements of the Group for the years ended 31 March 2009, 31 March 2010 and 31 March 2011 ('collectively referred to as 'the financial years') and for the nine months period ended 31 December 2011 (referred to as 'the financial period').

3. The consolidated financial statements of the Company for the years ended 31 March 2010, 31 March 2011 and for the nine months period ended 31 December 2011 have been audited by us.

   The audit for the financial year ended 31 March 2009 was conducted by previous auditors, Deloitte Haskins & Sells and accordingly, reliance has been placed by us on the consolidated financial statements audited by them. Our examination of the restated CFI of the Company for the abovementioned financial year is based solely on the financial statements audited by them.

4. We have also examined the CFI of the Group for the nine months period ended 31 December 2011 approved by the Board of Directors.

   The CFI for the abovementioned financial period was examined to the extent practicable, for the purpose of the audit of CFI in accordance with the Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India ('ICAI'). Those Standards require that we plan and perform our audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement.

5. We did not audit the financial statements and other financial information of the subsidiaries and associate company as at and for the nine months period ended 31 December 2011. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates

to the amounts included in respect of the subsidiaries and associate company is based solely on this report. Accordingly, the attached CFI include results of the subsidiaries and associate company whose audited financial results reflect the following:

a) Subsidiaries - total assets of Rs 61.62 million as at 31 December 2011, total revenues of Rs 3.04 million and net cash outflows amounting to Rs 0.003 million for the period then ended,

b) Associate - wherein the Company's share of profit aggregates Rs 1.37 million for the nine months period ended 31 December 2011.

6. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI ICDR Regulations, the Guidance Note (Revised) on Reports in Company Prospectuses issued by the ICAI, as amended from time to time ('the Guidance Note'), and in terms of our engagement agreed with you, we further report that:

a) The Consolidated Restated Summary Statement of Assets and Liabilities of the Group, as at 31 March 2009, 31 March 2010, 31 March 2011 and 31 December 2011 examined by us, as set out in Annexure I to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Note 2 to Annexure IV – II of CFI.

b) The Consolidated Restated Summary Statement of Profit and Loss of the Group, for the abovementioned financial years/periods examined by us, as set out in Annexure II to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Note 2 to Annexure IV – II of CFI.

c) The Consolidated Restated Cash Flow Statement of the Group, for the above mentioned years/periods then ended examined by us, as set out in Annexure III respectively to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Note 5 to Annexure III of CFI.

7. The Auditors' report on the consolidated financial statements of the Group for the financial years/periods stated in the notes referred to herein have, without qualifying their opinion, drawn attention to (i) Note 3(b)(i) of Annexure IV – II, regarding treatment of 'other than FMC prescribed penalties' on IPF guidelines issued by the FMC on which the Company continues to make representations to FMC; (ii) Note 13 of Annexure IV – II, regarding treatment of members' margins and income thereon pending response from FMC on Company's representations on SGF guidelines of 2007 and (iii) Note 14(a) of Annexure IV – II, relating to the Company's stand that no tax liability is expected as a consequence to a court approved reduction-cum arrangement scheme of MCX-SX.

8. Based on above and as per the reliance placed on the consolidated financial statements audited by the previous auditors, Deloitte Haskins & Sells for the financial year ended 31 March 2009 and other auditors, Mukesh P. Shah & Co. and V. Shankar Aiyar & Co., for subsidiaries and associate company respectively for the years ended 31 March 2009, 31 March 2010, 31 March 2011 and nine months period ended 31 December 2011, we are of the opinion that the restated CFI, prepared by the management of the Company and approved by the Board of Directors, has been made after incorporating:

(i) adjustments for the material amounts in the above mentioned financial years/periods to which they relate as explained in Note 2 of Annexure IV – II to this report;

(ii) there are no changes in accounting policies adopted by the Company for all the above mentioned reporting financial years/periods;

(iii) there are no qualifications in the auditors' reports which require any adjustment in the restated CFI; and

(iv) there are no extraordinary items, which need to be disclosed separately in the accounts.

9. We have also examined the following other CFI set out in Annexures prepared by the management and approved by the Board of Directors relating to the Group for the abovementioned financial years/period. In respect of the financial year ended 31 March 2009 these information have been included based upon the consolidated financial statements audited by previous auditors Deloitte Haskins & Sells and relied upon by us.

   a) Statement of dividend, paid by the Company, enclosed as Annexure V

   b) Statement of accounting ratios, enclosed as Annexure VI

   c) Statement of capitalization as at 31 December 2011, enclosed as Annexure VII

   d) Statement of other income, enclosed as Annexure VIII

   e) Statement of sundry debtors and loans and advances, enclosed as Annexure IX

   f) Statement of investments, enclosed as Annexure X

10. In our opinion, the above CFI contained in Annexures I to X to this report, read with the Significant Accounting Policies and Notes appearing in Annexure IV – I to this report, after making adjustments and regrouping as considered appropriate as set out in Note 2 of Annexure IV – II to this report and read with paragraph 7 above, has been prepared in accordance with Paragraph B, Part II of Schedule II of the Act, the SEBI ICDR Regulations, the abovementioned Guidance Note and in terms of our engagement agreed with you.

11. The report should not in any way be construed as a reissuance or redating of any of the previous audit report issued by us or the Company's previous auditors nor should this be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the management and for inclusion in the Offer document in connection with the proposed offer for sale of Equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose without our prior written consent.

For **B S R and Company**
Chartered Accountants
Firm's Registration No: 128900W

N Sampath Ganesh
Partner
Membership No: 042554

Annexure I: Consolidated summary statement of assets and liabilities, as restated

(₹ in million)

		As at			
		March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
A.	**Fixed Assets :**				
	Gross block	2,594.77	2,678.78	2916.53	3,095.44
	Less : Accumulated depreciation/ amortisation	508.85	753.58	963.56	1,165.39
	Net block	2,085.92	1,925.20	1,952.97	1,930.05
	Add: Capital work-in-progress	2.68	2.65	0.49	0.43
	Total (A)	**2,088.60**	**1,927.85**	**1,953.46**	**1,930.48**
B.	**Investments (B)**(Refer Annexure X)	**4,698.18**	**6,170.15**	**8,237.44**	**10,958.12**
C.	**Current Assets, Loans and Advances :**				
	Sundry debtors[Refer Annexure IX(A)]	268.95	303.81	488.68	494.03
	Cash and bank balances [refer Note 12 to Annexure IV - II]	4,058.54	2,700.53	3,311.71	2,285.66
	Other Current Assets	91.74	78.34	113.13	96.73
	Loans and advances[Refer Annexure IX(B)]	452.42	1,107.94	896.61	960.88
	Total (C)	**4,871.65**	**4,190.62**	**4,810.13**	**3,837.30**
	Total (A+B+C)	**11,658.43**	**12,288.62**	**15,001.03**	**16,725.90**
D.	**Liabilities and Provisions:**				
	Current liabilities and provisions(Refer note 9 to Annexure IV-II)	6,634.75	5,214.24	6,385.46	5,829.77
	Total (D)	**6,634.75**	**5,214.24**	**6,385.46**	**5,829.77**
E.	**Deferred tax liability (net) (E)**	87.18	106.26	127.08	156.88
F.	**Networth (A+B+C-D-E)**	**4,936.50**	**6,968.12**	**8,488.49**	**10,739.25**
G.	**Represented by**				
	1. Share capital [refer Note 8 to Annexure IV - II]	407.96	407.99	509.99	509.99
	2. Stock Option Outstanding Account [refer Note 10 to Annexure IV - II]	0.24	-	-	-
	3. Reserves and Surplus				
	- Securities Premium	2,264.70	2,270.41	2,168.42	2,168.42
	- Amount recoverable from MCX ESOP Trust [refer Note 11 to Annexure IV – II]	(221.00)	(165.29)	(111.30)	(40.49)
	- Settlement Guarantee Fund	15.12	16.34	17.47	18.71
	- General Reserves	389.26	610.08	782.90	782.88
	- Balance in Profit and Loss Account	2,080.22	3,828.59	5,121.01	7,299.29
	4. Minority interest	-	-	-	0.45
H	**Networth (Total of G)**	**4,936.50**	**6,968.12**	**8,488.49**	**10,739.25**

The above statement should be read with the Significant Accounting Policies and Notes to Consolidated Statement of Assets and Liabilities, Profit and Loss Account and Cash Flows as appearing in Annexure IV

Annexure II: Consolidated summary statement of profits and losses, as restated

(₹in million)

	Financial year ended			Nine months ended
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Income				
Transaction fees	1,860.96	2,640.80	3495.40	3,868.19
Membership Admission fees	105.21	69.64	35.14	41.36
Annual subscription fees	135.94	136.20	134.74	98.81
Terminal charges	22.37	27.18	23.64	14.97
Income from operations	**2,124.48**	**2,873.82**	**3,688.92**	**4,023.33**
Other Income (refer Annexure VIII)	1,533.96	2,063.19	786.68	721.69
Total Income	**3,658.44**	**4,937.01**	**4,475.60**	**4,745.02**
Expenditure				
Staff costs	254.34	217.50	264.31	201.35
Administration and other operating expenses (refer Note 4 to Annexure IV-II)	1,106.08	1,240.77	1,507.00	1,216.82
Depreciation/ Amortisation	199.56	247.43	246.59	204.39
Interest	1.79	0.40	0.20	0.02
Total Expenditure	**1,561.77**	**1,706.10**	**2,018.10**	**1,622.58**
Net profit before tax	**2,096.67**	**3,230.91**	**2,457.50**	**3,122.44**
Provision for tax				
- Current tax	452.66	1,004.30	703.50	914.35
- Prior period tax	-	-	1.98	(27.19)
- Deferred tax	63.14	19.08	20.82	29.79
- Wealth tax	0.29	0.27	0.23	0.15
- Fringe benefit tax	6.39	-	-	
Net profit after tax before share of profit of Associate	**1,574.19**	**2,207.26**	**1,730.97**	**2,205.34**
Share of profit of Associate	0.37	2.96	2.59	1.37
Net profit after tax as per audited consolidated financial statements	**1,574.56**	**2,210.22**	**1,733.56**	**2,206.71**
Impact of prior period adjustments [refer Note 2 to Annexure IV-II]	13.82	(2.14)	29.17	(27.19)
Net profit, as restated	**1,588.38**	**2,208.08**	**1,762.73**	**2,179.52**
Balance brought forward from previous year, as restated	890.19	2,080.22	3,828.59	5,121.01
Profit before appropriation, as restated	**2,478.57**	**4,288.30**	**5,591.32**	**7,300.53**
Appropriations:				
Proposed dividend	203.99	203.99	254.99	-
Final dividend of earlier year	1.30	-	-	-
Corporate dividend tax	34.89	33.88	41.37	-
Transfer to General Reserve	158.03	220.62	172.82	-
Transfer to Settlement Guarantee Fund Reserve	0.14	1.22	1.13	1.24
Balance carried to balance sheet, as restated	**2,080.22**	**3,828.59**	**5,121.01**	**7,299.29**

The above statement should be read with the Significant Accounting Policies and Notes to Consolidated Statement of Assets and Liabilities, Profit and Loss Account and Cash Flows as appearing in Annexure IV.

Annexure III: Consolidated statement of cash flows, as restated.

(₹in million)

	Financial year ended			Nine months ended
	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Cash flow from operating activities				
Net profit before tax, as restated (refer note 5 below)	2,109.10	3,230.91	2,457.50	3,122.44
Adjustments for:				
Depreciation/Amortization	199.56	247.43	246.59	204.39
Interest expense	1.79	0.40	0.20	0.01
Dividend from investments	(260.17)	(144.41)	(322.72)	(308.70)
Diminution in value of investments	72.00	6.32	-	3.41
Profit on sale of investments (net)	(913.65)	(1,472.58)	(56.25)	(81.61)
Loss on sale of assets or assets scrapped (net)	2.85	0.65	13.41	1.38
Advertisement expense (service tax set off availed)	-	5.63	-	-
Interest income	(171.22)	(220.49)	(173.55)	(140.44)
Operating profit before working capital changes	1,040.26	1,653.86	2,165.18	2,800.88
Adjustments for:				
(Increase)/decrease in trade and other receivables	(176.44)	(565.95)	(55.57)	118.56
(Decrease)/increase in trade payables and provisions	2,244.78	(1,453.19)	1,135.69	(461.86)
Cash generated from / (used in) operations	**3,108.60**	**(365.28)**	**3,245.30**	**2,457.58**
Tax paid	(255.53)	(553.45)	(545.74)	(820.58)
Net cash generated from / (used in) operating activities	**2,853.07**	**(918.73)**	**2,699.56**	**1,637.00**
Cash flow from investing activities				
Additions to fixed assets (refer note 4 below)	(757.49)	(96.34)	(312.16)	(187.41)
Deletion / Adjustment to Fixed Assets	33.78	9.01	26.55	4.61
Purchase of investments (including fixed deposits placed and share application money)	(110,907.41)	(99,345.62)	(109,268.55)	(105,446.65)
Redemption/sale of investments (including fixed deposits)	110,145.33	99,420.85	106,784.10	103,699.36
Dividend from investments	260.17	144.41	322.72	308.70
Interest received	97.00	233.91	138.74	156.84
Cash generated from / (used in) investing activities	**(1,128.62)**	**366.22**	**(2,308.60)**	**(1,464.55)**
Tax Paid	(242.15)	(488.95)	(17.71)	(8.74)
Net Cash generated from / (used in) investing activities	**(1,370.77)**	**(122.73)**	**(2,326.31)**	**(1,473.29)**
Cash flow from financing activities				
Proceeds from:				
- Equity share capital	15.55	0.03	-	-
- Securities premium	212.58	0.05	-	-
- Minority Shareholders of Subsidiary Company	-	-	-	0.45
Share issue expenses adjusted in Securities Premium Account	(63.03)	-	-	-
Dividend paid (including tax thereon)	(47.43)	(238.60)	(237.87)	(296.37)
Interest paid	(1.79)	(0.01)	(0.20)	(0.01)
Net cash generated from / (used in) financing activities	**115.88**	**(238.53)**	**(238.07)**	**(295.93)**
Net cash (outflow) / inflow during the year	**1,598.18**	**(1,279.99)**	**135.18**	**(132.22)**
Net increase/ (decrease) in cash and cash equivalents	**1,598.18**	**(1,279.99)**	**135.18**	**(132.22)**

	Financial year ended			Nine months ended
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Cash and cash equivalents (opening balance)	166.54	1,764.72	484.73	619.91
Cash and cash equivalents (closing balance) (refer note 2)	1,764.72	484.73	619.91	487.69

Notes to statement of cash flow, as restated:

1. The consolidated statement of cash flow, as restated has been prepared under the "Indirect Method" as set out in AS 3 - Cash Flow Statement prescribed in the Company's Accounting Standard Rules, 2006 ('the Rules').

2. Closing balance of Cash and cash equivalents consists of the following:

(₹in million)

	As at			
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Cash and cheques on hand	1.35	13.81	2.85	0.09
Bank Balances:				
- in current accounts	1,757.97	465.52	610.44	481.90
- in deposit accounts	5.40	5.40	6.62	5.70
Cash and cash equivalents	**1,764.72**	**484.73**	**619.91**	**487.69**
- In deposit accounts (maturing more than 3 months)	2,293.82	2,215.80	2,691.80	1,797.97
Cash and bank balance	**4,058.54**	**2,700.53**	**3,311.71**	**2,285.66**

3. Fixed Deposits with banks with maturity period of more than three months are classified and grouped in investing activities and not included in cash and cash equivalents.

4. Purchase of fixed assets is stated inclusive of movements of capital work in progress between the commencement and end of the year and is considered as part of investing activities.

5. Net Profit before tax, as restated is computed as under

(₹in million)

	Financial year ended			Nine months ended
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Net Profit before tax as per audited financial statements (A)	**2,096.67**	**3,230.91**	**2,457.50**	**3,122.44**
Adjustment on account of prior period items: [refer Note 2 to Annexure IV-II]				
Prior period expenses	12.43	-	-	-
Total of adjustments (B)	**12.43**	-	-	-
Net Profit before tax as restated (A+B)	**2,109.10**	**3,230.91**	**2,457.50**	**3,122.44**

Annexure IV: Significant accounting policies and notes to the consolidated summary statements, as restated

I. Significant accounting policies

A. Basis of preparation of consolidated summary statements, as restated

The consolidated financial statements, of Multi Commodity Exchange of India Limited ('the Parent Company' or 'the Exchange') and its subsidiaries and associate company (refer Note 1 to Annexure IV-II for list of entities included in consolidated summary statement) (together 'the Group' or 'the Company') have been prepared and restated under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards ('AS') Rules 2006 (to the extent applicable) and in accordance with the generally accepted accounting principles ('GAAP'), the provisions of the Companies Act 1956 ('the Act'), and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date ('SEBI ICDR Regulations'), to the extent applicable.

The financial statements of subsidiary and associate company used in the consolidation are drawn upto the same reporting date as that of the Parent Company, namely December 31, 2011.

B. Principles of consolidation

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS-21) – "Consolidated Financial Statements" and Accounting Standard 23(AS-23) – "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Companies (Accounting Standard) Rules, 2006 ('the Rules') on the following basis:

(1) Investment in subsidiary:

a. The financial statements of the Parent Company and its subsidiaries are combined on line-by-line basis by adding together the book values of like items of the assets, liabilities, income and expenses, after elimination of intra group balances, intra group transactions and unrealized profits or losses on balances remaining within the Group. These financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

b. The difference between the costs of investment in the subsidiaries, over the share of equity in the subsidiaries, on acquisition date, is recognized in the financial statements as goodwill or capital reserve, as the case may be.

(2) Investments in Associate Companies:

The consolidated financial statements include the share of profit / loss of associate companies, accounted under the 'Equity method' under which the Group originally records its investments at cost and the carrying amount is increased/ decreased to recognise the Group's share of profits/ losses/changes directly included in associate's equity after the date of acquisition. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.

(3) Note on consolidated financial information for years prior to March 31, 2009:

The Parent Company did not have any subsidiary as at March 31, 2007 and March 31, 2008 and accordingly no consolidated financial statements were prepared by the Company for the said years. The Parent Company held investments in joint venture companies, viz., Dubai Gold and Commodities Exchange DMCC ('DGCX') during the year ended March 31, 2007 and March 31, 2008 and in Safal National Exchange of India Limited ('SNX') with effect from the year ended March 31, 2007, for which separate disclosure was given in the audited standalone financial statements in accordance with paras 52 and 53 of Accounting Standard - AS-27, Financial Reporting of Interests in Joint Ventures prescribed in the Rules (‘AS 27’).

C. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the management’s evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying financial statements. Adjustments, if any, are prospectively made.

D. Revenue Recognition

Revenue is recognized on accrual basis and when no significant uncertainty as to measurement and realization exists.

a) Admission Fees (non refundable) collected from new members for joining the commodity exchange are recognized when received and the member is approved.

b) Annual subscription fees (non refundable) are collected from members and accrued annually.

c) Volume based transaction fees are accrued when orders placed by members on the network are matched and confirmed. Non refundable minimum usage charges which are in excess of appropriation towards volume based transaction fees are accrued quarterly. Fees collected in excess of appropriations are included in ‘Income received in advance’ under Current Liabilities.

d) Revenue from terminal charges is accrued on creation of new chargeable user identification.

e) Dividend income is recognised when the right to receive dividend is established by the balance sheet date.

f) Interest income is recognised on accrual basis on time proportion basis taking into account the amount outstanding and the rate applicable.

g) VSAT connectivity income is accrued over the expected period of providing connectivity service.

h) Insurance claim is recognised on admittance basis.

E. Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on straight-line method at rates prescribed by the Schedule XIV of the Act except for the following assets wherein the assets are depreciated over the estimated useful life of the asset as determined by the management:

Class of asset	Useful life (in months)
Networking equipments ('VSAT')	60
Trademark and Copyrights	60
Computer (software)	60

Leasehold improvements are depreciated over the residual period of the lease.

Fixed assets costing less than ₹ 5,000/- are depreciated fully in the year of purchase/acquisition. Depreciation is charged on pro-rata basis in the month of purchase / sale.

F. Intangible Assets

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible Assets are stated at cost of acquisition less accumulated amortization and impairment loss, if any.

G Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

H. Foreign Exchange Transactions

Foreign exchange transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the profit and loss account. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the profit and loss account of the year. Non-monetary items are carried at historical cost using the exchange rates on the date of the transaction.

I. Employee Benefits

Gratuity

The Parent Company’s gratuity benefit scheme is a defined benefit plan. The Parent Company‘s net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yield of Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the profit and loss account.

Leave Encashment

Leave pay is actuarially determined based on the employee compensation rates for the eligible unavailed leave balance standing to the credit of the employees at the year end.

Provident Fund

The Parent Company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the profit and loss account.

J. Investments

Purchase and sale of investments is accounted for on trade date. Investments are classified as current or long term in accordance with the investment policy of the management.

Investments which are intended to be held for one year or more are classified as long term investments and the investments which are intended to be held for less than one year are classified as current investments.

Long term investments

Long-term investments are carried at cost less any diminution in value other than temporary, determined separately for each individual investment.

Current Investments:

Current investments comprising investments in mutual funds are stated at the lower of cost and fair value determined on an individual investment basis.

K. Income taxes

Current tax

Income tax expense comprises the current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and the deferred tax charge or credit reflecting the tax effects of timing differences between accounting income and taxable income for the year.

Deferred tax

The deferred tax charge or credit and the corresponding deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the accounting profits and taxable profits. Deferred tax assets and liabilities are measured using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are only recognised if there is reasonable certainty that they will be realised, except for deferred tax assets in respect of unabsorbed depreciation and carry forward losses, which are recognised only to the extent that there is virtual certainty they will be realised. These assets are reviewed for appropriateness of their carrying value at each Balance sheet date.

Fringe benefit tax ('FBT')

Provision for FBT wherever applicable is made on the taxable value of eligible expenses as prescribed under the Income Tax Act, 1961.

L. Operating Leases

Assets taken on lease under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as expenses on straight line basis in accordance with Accounting Standard 19 - Leases prescribed in the Rules.

M. Stock based compensation

The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e. difference between the market price / fair value of the Company's shares on the date of grant of options and the exercise price to be paid by the option holders.

N. Share issue expenses

Share issue expenses are written off against securities premium account.

O. Provisions and Contingent Liabilities and Contingent Assets

A provision is made when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance-sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

P. Earning per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year/period.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also weighted average number of equity shares, which would have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive are included.

II. Notes to the consolidated summary statements, as restated:

1. Subsidiaries/Associates/Joint Venture to Consolidation:

The consolidated financial summary statements present the consolidated accounts of the Parent Company with its subsidiaries and associate company.

(a) The subsidiary companies considered in the presentation of the consolidated summary statements, as restated are:

Name of Subsidiary	Country of incorporation	Proportion of Ownership Interest (as at December 31, 2011)
Multi Commodity Exchange Clearing Corporation Limited (MCX CCL) (w.e.f. 1 August 2008)	India	100.00%
SME Exchange of India Limited (SME) (w.e.f 14 September 2010)	India	51%

(b) The associate company (w.e.f. 7 November 2008) considered in the presentation of the consolidated summary statements, as restated is:

Name of Associate	Country of incorporation	Proportion of Ownership Interest (as at December 31, 2011)
MCX-SX Clearing Corporation Limited (MCX SXCCL)	India	26.00%

(c) The Parent Company reduced its stake in MCX Stock Exchange Limited ('MCX-SX') from 51% as at March 31, 2009 to 5% as at March 31, 2010 in order to comply with regulatory requirement as per the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognized Stock Exchanges) Regulations, 2006 (refer Note 14 to Annexure IV-II). Upon MCX-SX ceasing to be a subsidiary effective from May 31, 2009, its subsidiary MCX SX CCL also ceases to be a subsidiary from May 31, 2009. As at March 31, 2010, MCX-SX ceases to be a subsidiary of the Parent Company. Further as at March 31, 2009 considering temporary holding, MCX-SX has not been considered for consolidation as a subsidiary in these consolidated financial statements and the Parent Company's share of loss aggregating ₹ 152.36 million for the year ended March 31, 2009 has not been recognized. MCX-SX has been accounted as long term investment in accordance with Accounting Standard 13 ('AS 13') on Investments prescribed in the Rules as at March 31, 2009, March 31, 2010, March 31, 2011 and December 31, 2011.

(d) The Joint venture company not considered in the presentation of the consolidated summary statements, as restated is:

Name of Jointly Controlled Entity	Country of incorporation	Proportion of Ownership Interest (upto June 25, 2010)
Safal National Exchange of India Limited (SNX)	India	30.00%

As at March 31, 2009, Safal National Exchange of India Limited (SNX) had ceased operations. The financial statements as on March 31, 2009 and March 31, 2010 are not available. The Company has accounted for its investment in SNX of ₹ 72 million under Accounting Standard 13 'Accounting for Investments' and has fully provided for diminution in value being other than temporary and for advances due from SNX based on its assessment of net realizable values of SNX's assets and liabilities.

During the year ended March 31, 2011, the Company entered into a settlement agreement with Mother Dairy Fruit & Vegetable Private Limited ('MDFVL') for mutual termination of the joint venture company SNX, transfer of shares to MDFVL and settlement of advances recoverable from SNX. Accordingly necessary accounting adjustments have been made in the year ended March 31, 2011.

2. Impact of prior period adjustments.

(₹in million)

	Financial year ended			Nine months ended
	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Net Profit after tax as per audited financial statements (A)	**1,574.56**	**2,210.22**	**1,733.56**	**2,206.71**

	Financial year ended			Nine months ended
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Adjustment on account of prior period items:				
Prior period adjustments [refer Note a and c below]	12.43	-	-	-
Deferred Tax [refer Note c below]	(4.22)	-	-	-
Current Tax [refer Note b below]	5.45	(1.98)	29.17	(27.19)
Fringe Benefit Tax [refer Note d below]	0.16	(0.16)	-	-
Total of adjustments (B)	**13.82**	**(2.14)**	**29.17**	**(27.19)**
Adjusted net profit (A+B)	**1,588.38**	**2,208.08**	**1,762.73**	**2,179.52**

a. Prior period items have been adjusted in arriving at the profits of the years to which they relate.

b. Short and Excess Provision for taxation in respect of earlier years as reported in the consolidated audited financial statements for the financial years ended March 31, 2009, March 31, 2010 and March 31, 2011 has been adjusted in the summary of statement of profits and losses, as restated in the years to which these amounts pertain to.

c. Expense amounting to ₹ 12.43 million was accrued in audited consolidated financials for the year ended March 31, 2009 as the event triggering this expense occurred in 2008-2009 but this expense pertains to the year ended March 31, 2008. For the purpose of restated Summary Statements, ₹ 4.22 million of deferred tax adjustment on this expense in accordance with AS – 22 - Accounting for taxes on Income prescribed in the Rules has been made as at March 31, 2008 and March 31, 2009.

d. Excess provision for ₹ 0.16 million of fringe benefit tax made in the financial year ended March 31, 2009 was written back during financial year ended March 31, 2010. The same has been restated above.

3. Contingent liabilities and capital commitments

(₹in million)

	As at			
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	10.59	0.17	2.71	12.90
b. Contingent liabilities :				
i) Other than FMC prescribed penalties recovered from members credited to income, on which the Company continues to make representations to FMC on IPF Guidelines	79.91	101.85	142.28	181.14
ii) Claims against the Company not acknowledged as debts.	2.91	3.22	3.47	6.75
iii) Income tax demands against	21.39	21.39	21.39	16.95

	As at			
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
which the Company is in appeal (Including Interest thereon)				
iv) Bank guarantee given	0.16	0.16	-	-

4. Administration and other operating expenses include:

(₹ in million)

	Financial year ended			Nine months ended
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Software support charges	314.07	382.42	543.08	577.70
Shared Business Support Charges	112.74	99.33	99.33	19.67
Rent charges	72.34	35.49	28.70	16.27
Service charges	8.17	1.83	2.65	1.51
Outsourced service charges	16.45	15.93	12.50	12.16
Advertisement expenses	34.43	80.60	157.24	106.23
Business promotion / development expenses	13.97	66.85	21.86	11.11
Sponsorship and Seminar expenses	22.44	42.40	60.46	47.58
Travelling and conveyance	28.31	16.08	14.59	14.55
Communication expenses	34.93	53.67	65.91	54.63
Brokerage and Commission	-	0.05	-	-
Printing and Stationery	5.76	2.59	2.57	1.99
Legal and professional charges	66.04	93.59	100.87	95.86
Warehousing Facility Charges	99.97	51.37	91.68	15. 90
License fees	54.17	82.93	107.06	80.85
Contribution to Investor Protection Fund	2.50	2.50	2.50	1.88
Repairs and Maintenance – Others	14.87	13.40	19.87	24.70
Donations	1.25	52.35	49.74	40.25
Electricity	32.87	34.18	25.04	13.83
Insurance	5.54	4.37	3.34	7.03
Loss on sale of Assets / Asset scrapped	2.85	0.65	13.41	1.38
Provision for diminution in value in investments	72.00	6.32	-	3.41
Provision for doubtful debts	16.55	27.98	23.78	18.42
Provision for doubtful advances debts	11.25	10.72	-	0.02
Exchange Differences (Net)	0.04	-	1.32	1.67
FMC filing Fees	0.01	0.43	-	-
Pre-operative Expenses Written Off	6.06	-	-	0.00
Software Licenses Fees	18.07	18.22	17.11	12.52
Membership Fees and Subscriptions	6.94	5.48	6.15	5.56
Security Service Charges	5.97	5.16	5.63	4.86
Rates and Taxes	3.34	3.56	3.73	1.44
Audit Fees	1.61	1.41	1.41	4.47
Miscellaneous Expenses	20.57	28.91	25.47	19.34
Preliminary expenses of Subsidiary company written off	-	-	-	0.03

	Financial year ended			Nine months ended
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Total Administration and other operating expenses	**1,106.08**	**1,240.77**	**1,507.00**	**1,216.82**

5. Segment reporting

Primary Segment

The Company considers business segment (business of facilitating trading in commodities and incidental activities thereto) as its primary segment considering the risks and rewards of the services offered, nature of services, management structure and system of financial reporting. In the opinion of the management, the Company has only one reportable business segment, the results of which are disclosed in the restated consolidated financial summary statements.

Secondary Segment

Since the business operations of the Company are concentrated in India, the Company is considered to be operating only in domestic segment and therefore there is no reportable geographical segment.

6. The Parent Company has entered into operating lease agreements for its office premises for a period ranging from 18 to 60 months.

a) The minimum lease rentals on non-cancellable operating leases recognized in the Profit and Loss Account and the future minimum lease payments under non cancellable operating leases are as follows:

(₹in million)

	Financial year ended			Nine months ended
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Lease rentals	49.67	35.49	27.04	14.82
Future minimum lease payments				
Not later than one year	9.67	37.55	-	3.58
Later than one year and not later than five years	-	100.51	-	
Later than five years	-	16.03	-	-

b) Sub-lease amount recognised in profit & loss account

(₹in million)

	Financial year ended			Nine months ended
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Sub-lease	32.41	27.68	28.66	0.82

7. Related party information.

The disclosures regarding related parties as required by Accounting Standard ('AS') 18 "Related Party disclosures" issued by the Companies (Accounting Standards) Rules, 2006 ('the Rules') are as under:

(i) *Names of related parties and nature of relationship:*

(Note: Y signifies existence of relationship**.)**

Related parties	**Financial year ended**			**Nine months ended**
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Company having significant influence over the Company:				
Financial Technologies India Limited(FTIL)	Y	Y	Y	Y
Subsidiaries:				
MCX Stock Exchange Limited ('MCX-SX')	w.e.f. August 14, 2008	Upto May 20,2009	-	-
MCX SX Clearing Corporation Limited ('MCX SX CCL')	w.e.f. November 1, 2008	Upto May 20,2009	-	-
Associate Companies:				
MCX-SX	-	w.e.f. May 21,2009 to March 19,2010	-	
MCX SX CCL	-	w.e.f. May 21,2009	Y	Y
Jointly Controlled Entities				
SNX (refer Note 1d to Annexure IV-II)	Y	Y	Upto June 25,2010	-
Key management personnel (KMP)				
Mr. Lambertus Rutten (Joint Managing Director) in MCX	upto November 30,2008	-	-	-
Mr. Lambertus Rutten (Managing Director and CEO) in	-	w.e.f. July1,2009	Y	Y

Related parties	Financial year ended			Nine months ended
	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
MCX				
Mr. Joseph Massey (Managing Director and CEO) in MCX	Y	upto May 31,2009	-	-
Mr. Joseph Massey (Director) in MCX CCL	Y	upto May 31,2009	-	-
Mr. Dipak Shah (Director) in MCX CCL	w.e.f August 1,2008	Y	Y	Y
K R C V Seshachalam(Director) in MCX CCL	w.e.f August 1,2008	Upto May 31, 2009	-	-
Mr. V. Hariharan (Director) in MCX	upto March 31,2009	-	-	-
Others :				
A) Entities over which KMP are able to exercise significant influence				
National Bulk Handling Corporation Limited ('NBHCL')	Y	-	-	-
National Spot Exchange Limited ('NSEL')	Y	upto May 31, 2009	-	-
IBS Forex Ltd. ('IBS')	Y	-	-	-
Singapore Mercantile Exchange Pte. Ltd ('SMX')	Y	upto May 31, 2009	-	-
Global Payment Networks Ltd	Y	-	-	-
FT Knowledge Management Company Ltd ('FTKMC')	Y	-	-	-
Takshashila Academia Economic Research Limited (TAER)	Y	-	-	-
Bourse Africa Limited	Y	Y	Y	Y
Credit Market Services Limited ('CMSL')	Y	-	-	-

Related parties	Financial year ended			Nine months ended
	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Bahrain Financial Exchange	-	Y	Y	Y
B) Controlled Employee Welfare Trust				
MCX ESOP Trust	w.e.f. May 24, 2008	Y	Y	Y

(ii) *Related party transactions and Balances with related parties:*

(₹in million)

Sr. No.	Nature of Transaction	Financial Technologies (India) Limited			
		Financial year ended			Nine months ended
		March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
A	Purchase of tangible and intangible assets	555.09	18.95	254.11	150.00
B	Sales of tangible assets	31.69	-	19.00	0.12
C	Reimbursements charged to the Company	18.33	30.89	22.23	8.62
	Recoveries charged by the Company	26.58	41.20	34.28	-
D	Business promotion expenses	-	0.17	-	-
E	Rent deposit received	11.68	-	-	-
F	Rent charges	11.06	-	-	-
G	Software support charges	310.40	377.53	538.09	573.55
H	Shared Business Support charges	112.74	96.00	96.00	18.00
I	Repairs and maintenance expenses	-	0.92	4.09	1.60
J	Share issue expenses charged	3.16	-	-	11.46
K	Dividend paid	12.72	63.61	63.61	79.52
L	Sundry creditors	113.52	63.34	-	74.96
M	Software license fees paid	13.12	18.10	14.17	7.73

Sr. No.	Nature of Transaction	Financial Technologies (India) Limited			
		Financial year ended			Nine months ended
		March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
N	Outsourced service charges	16.45	15.80	9.44	8.49
O	Professional charges	2.59	5.91	9.48	22.22
P	Unamortised expenses charges to the Company	23.03	2.50	9.49	0.53
Q	Miscellaneous Income received	0.15	0.30	0.57	0.25
R	Rent deposit refunded during the year / period	-	-	11.91	-

(₹ in million)

Sr. No	Nature of Transaction	Subsidiaries			
		Financial year ended			Nine months ended
		March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
A	Advances given:				
	Balance – Opening	-	-	-	-
	Given during the year / period	716.40	-	-	-
	Repaid during the year / period	702.33	-	-	-
	Balance – Closing	14.07	-	-	-
B	Investments made during the year / period	701.50	52.00	-	-
	Balance – closing	701.50	-*	-	-
C	Reimbursements charged to the Company	0.02	-	-	-
	Recoveries charged by the Company	32.62	0.05	-	-
D	Rent Income	17.02	4.00	-	-
E	VSAT Connectivity Income	0.96	0.37	-	-

* The Parent Company has during the year invested in 5.2 million equity shares of MCX SX CCL at ₹ 10 per share. MCX SX CCL was a subsidiary till May 20, 2009 and with effect from May 21 2009, MCX SX CCL is an associate. Accordingly as at March 31, 2010, the same has been reclassified from the investments in subsidiary to investments in associates.

(₹ in million)

Sr. No	Nature of Transaction	Associate Companies			
		Financial year ended			Nine months ended
		March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
A	Advances given:				
	Balance – Opening	-	2.11**	0.21	-
	Given during the year / period	-	27.53**	2.56	0.02
	Repaid during the year / period	-	29.43**	2.77	0.02
	Closing Balance	-	0.21**	-	-
B	Investments (Closing Balance)	-	68.34	70.93	65.00
C	Re-imbursements charged to the Company	-	0.18	-	-
D	Recoveries charged by the Company	-	59.96	1.92	-
E	Rent income received during the year/period by the Company	-	24.22	-	-
F	VSAT Connectivity Income received during the year / period by the Company	-	2.38	-	-
G	Miscellaneous Income received	-	1.07	-	-
H	Sale of tangible assets	-	-	0.11	-

****** Opening and closing balances of loans and advances, loan and advances given/repaid during the year, in respect of MCXSX, NSEL and SMX have not been disclosed as they ceased to be related parties as at March 31, 2010.

(₹ in million)

Sr. No	Nature of Transaction	Jointly Controlled Entities			
		Financial year ended			Nine months ended
		March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
A	Advances given:				
	Opening Balance	0.04	12.75**	12.79	-
	Given during the year / period	9.11	0.04**	0.31	-
	Repaid during the year / period	9.08	-	13.10	-
	Provision for doubtful debts debited to Profit and Loss Account	0.07	0.04	-	-
	Advances Closing Balance	0.07	12.79**	-	-
	Provision for doubtful debts	0.07	0.11	-	-
B	Investments made during the year / period	3.00	-	-	-
	Provision for diminution in value of investments debited to Profit and Loss Account	72.00	-	-	-
	Investments as at year / period end	72.00	72.00	-	-
	Provision for diminution in value of investments as at :	72.00	72.00	-	-
	Closing Balance	-	-	-	-

Sr. No	Nature of Transaction	Jointly Controlled Entities			
		Financial year ended			Nine months ended
		March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
C	Recoveries charged by the Company	0.08	0.04	-	-
D	Inter-Corporate Deposits/ Advances				
	Opening Balance	-	12.79	-	-
	Given during the year / period	12.79	-	-	-
	Repaid during the year / period	-	-	-	-
	Provision for doubtful advances debited to Profit and Loss Account	12.79	-	-	-
	Closing Balance	12.79	12.79	-	-
	Provision for doubtful advances as at year / period end	12.79	12.79	-	-
E	Interest Income on ICD / Loan given	-	-	0.31	-

** Opening and closing balances of loans and advances, loan and advances given/repaid during the year, in respect of MCXSX, NSEL and SMX have not been disclosed as they ceased to be related parties as at March 31, 2010.

(₹in million)

Sr. No	Nature of transaction	Others			
		Financial year ended			Nine months ended
		March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
A	Sale of Capital Assets by the Company	2.75	-	-	-
B	Reimbursements charged to the Company	0.13	-	-	-
C	Recoveries charged by the Company	46.78	4.34	0.48	-
D	Advances given:				
	Opening Balance	26.13	231.99**	185.15	139.55
	Given during the year / period	376.75	13.71**	10.19	5.17
	Repaid during the year / period	(151.53)	(60.55)**	55.79	72.14
	Closing Balance	251.35	185.15**	139.55	72.58
E	Rent Deposits received	8.75	-	-	-
F	Miscellaneous Income Received	1.02	-	-	-

Sr. No	Nature of transaction	Others			
		Financial year ended			Nine months ended
		March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
G	Rent Income received	8.13	-	-	-
H	Interest Income on Loan given	10.74	12.07	8.99	3.62
I	Repairs and Maintenance Expenses	0.08	-	-	-
J	Warehousing Facility Charges	99.97	-	-	-
K	Dividend Paid	1.30	5.14	3.63	2.33
L	Professional Charges	8.15	-	-	-
M	Training Fees Charged	2.34	-	-	-
N	Sundry Creditors	50.62	-	-	-
O	Software Support Charges	1.36	-	-	-
P	VSAT Connectivity Income received during the year by the Company	-	-	-	-

** Opening and closing balances of loans and advances, loan and advances given/repaid during the year, in respect of MCXSX, NSEL and SMX have not been disclosed as they ceased to be related parties as at March 31, 2010.

(iii) *Transactions with Key Managerial Personnel*

(a) Other Transactions

(₹in million)

Sr. No.	Nature of Transaction	Key managerial personnel			
		Financial year ended			Nine months ended
		March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
A	Salaries and Allowances: Lambertus Rutten #	9.17	11.98	10.78	13.36
B	Salaries and Allowances: Joseph Massey #	14.07	2.37	-	-
C	Dividend paid				
	Joseph Massey	-	0.07	0.02	-
	V. Hariharan	0.04	-	-	-

Excludes gratuity covered under Group Gratuity Scheme and long term leave encashment, where separate amount is not identifiable.

(b) Employee Stock Options (Post consolidation and bonus):

(Number of shares)

		Financial year ended			Nine months ended
		(Post Consolidation and bonus)			
		March 31, 2009*	March 31, 2010*	March 31, 2011	December 31, 2011
D	**ESOP 2006**				
	Stock Options given to :				
	Joseph Massey				
	Opening Balance	6,250	-	-	-
	Add : Options granted	-	-	-	-
	Less : Exercised during the year / period	6,250	-	-	-
	Closing Balance	-	-	-	-
	V.Hariharan				
	Opening Balance	51,767	-	-	-
	Add : Options granted	-	-	-	-
	Less : Exercised during the year / period	51,767	-	-	-
	Closing Balance	-	-	-	-
E	**ESOP 2008**				
	Stock Options given to :				
	Joseph Massey				
	Opening Balance	-	18,750	-	-
	Add : Options granted	18,750	-	-	-
	Less : Exercised during the year / period	-	5,625	-	-
	Closing Balance	18,750	13,125	-	-
	V.Hariharan				
	Opening Balance	-	-	-	-
	Add : Options granted	437,500	-	-	-
	Less : Exercised during the year / period	-	-	-	-
	Closing Balance	437,500	-	-	-
	Lambertus Rutten				
	Opening Balance	-	12,500	8,750	5,000
	Add : Options granted	12,500	-	-	10,000
	Less : Exercised during the year / period	-	3,750	3,750	5,000
	Closing Balance	12,500	8750	5,000	10,000

* *The figures of financial year ended March 31, 2009 and March 31, 2010 have been adjusted for the consolidation of two equity shares having nominal face value of ₹5/- per share into one equity*

share of face value of ₹ 10/- per share and issue of bonus shares in the proportion of one new bonus share of ₹ 10 per share for every four existing fully paid-up equity shares of ₹ 10, both on 14 March 2011, to make them comparable with the figures of the subsequent period.

(iv) Out of the above items, transactions with related parties the amount of which is in excess of 10% of the total related party transactions of the same type are:

(₹ in million)

Sr. No	Nature of transaction	Financial year ended			Nine months ended
		March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
	SUBSIDIARIES				
A	Investments made in :				
	- MCX-SX	688.50	-	-	-
	- MCX SXCCL	-	52.00	-	-
B	Recoveries of expenses charged by the Company:				
	- MCX-SX	30.50	-	-	-
C	Rent Income received				
	- MCX-SX	17.02	-	-	-
D	VSAT Connectivity received from :				
	-MCX-SX	0.96	-	-	-

(Amount ₹ in million)

Sr. No	Nature of transaction	Financial year ended			Nine months ended
		March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
	Associate Companies				
A	Reimbursement of expenses charged by the Company: - MCXSX	-	56.43	-	-
B	VSAT Connectivity Income received - MCX-SX	-	2.72	-	-
C	Rent Income received during year / period - MCX-SX	-	28.21	-	-
D	Miscellaneous income received - MCX-SX	-	1.07	-	-
E	Investment (Closing Balance) - MCX SX CCL	-	68.34	70.93	65.00

(₹ *in million)*

Sr. No	Nature of transaction	Financial year ended			Nine months ended
		March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
	Joint Controlled Entities				
A	Investment made in SNX during the year / period	3.00	-	-	-
B	Provision for diminution in value of investments during the year / period SNX	(72.00)	-	-	-
C	Investment balance as at year / period end in SNX	72.00	72.00	-	-
D	Provision for diminution in value of investments as at : SNX	72.00	72.00	-	-
E	Provision for doubtful advances as at year / period end	-	12.79	-	-
F	Interest Income on ICD / Loan given: SNX	-	-	-	-

(₹ *in million)*

Sr.No.	Nature of transaction	Financial year ended			Nine months ended
		March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
	Others				
A	Recoveries of Expenses charged : - NSEL	26.26	-	-	-
B	Rent Deposit received from: -NSEL	8.75	-	-	-
C	Rent Income received during year / period				
	- FTKMC	3.99	-	-	-
	- CMSL	4.14	-	-	-
D	Miscellaneous income received from -FTKMC	1.02	-	-	-
E	Professional Charges to: - TAER	75.00	-	-	-
F	Dividend paid to MCX ESOP Trust	1.30	-	-	-
G	Advances as at year / period end - MCX ESOP Trust	-	184.56	139.55	72.37
H	Interest income on loan given - MCX ESOP Trust	-	-	8.99	3.62

Notes:

1. Related party relationship is as identified by the management of the Parent Company and relied upon by the auditors.

8. **Share Capital**

(Number of shares)

Equity shares	As at			
	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Face Value (₹)	5	5	10	10
Authorised:	100,000,000	100,000,000	70,000,000	70,000,000
Issued, subscribed and paid up:	81,591,390	81,597,390	50,998,369	50,998,369
Of the above :				
- Shares held by FTIL	25,445,586	25,445,586	15,903,491	15,903,491
- Shares allotted as fully paid up pursuant to a contract without payments being received in cash	30,000,000	30,000,000	15,000,000	15,000,000
- Shares allotted to employees under ESOP Scheme	1,077,740	1,083,740	541,870	541,870
- Shares allotted to employees / MCX ESOP Trust under ESOP	2,600,000	2,600,000	1,300,000	1,300,000
- Bonus Shares	-	-	10,199,674	10,199,674

(₹in million)

Equity Share Capital	As at			
	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Authorised:	500.00	500.00	700.00	700.00
Issued, subscribed and paid up:	407.96	407.99	509.99	509.99
Of the above :				
- Shares held by FTIL	127.23	127.23	159.03	159.03
- Shares allotted as fully paid up pursuant to a contract without payments being received in cash	150.00	150.00	150.00	150.00
- Shares allotted to employees under ESOP Scheme	5.39	5.42	5.42	5.42
- Shares allotted to MCX ESOP Trust	13.00	13.00	13.00	13.00
- Bonus shares	-	-	101.99	101.99

Note: (1) The shareholders of the Company, at their meeting held on March 14, 2011, approved the consolidation of two equity shares having nominal face value of ₹ 5/- per share into one equity shares of face value of ₹ 10/- per share.

Further, shareholders of the Company, at the above meeting, approved the issue of bonus shares in the proportion of one new bonus share of ₹ 10 per share for every four existing fully paid-up equity shares of ₹ 10. The authorised share capital of the Company was increased to ₹ 700 million during the year ended March 31, 2011.

The above data relating to number of shares and face value disclosed for the years ended March 31, 2009 and March 31, 2010 is without adjusting for the impact of consolidation and issue of bonus shares as effected during the year ended March 31, 2011.

The earnings per share and other ratios as disclosed in Annexure VI to this report have been computed after adjusting for the consolidation and issue of bonus shares during the year ended March 31, 2011 based on the requirements of Accounting Standard 20 'Earnings per Share'.

9. Current liabilities and provisions comprises of:

(₹in million)

	As at			
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Current Liabilities	6365.70	4,914.02	6,044.72	5,591.41
Provisions	269.05	300.22	340.74	238.36
Total	**6,634.75**	**5,214.24**	**6,385.46**	**5,829.77**

10. Stock based compensation

a. On January 16, 2006, the Parent Company granted 1,300,000 stock options to its employees and directors and the employees and directors of Financial Technologies of (India) Limited, under an 'Employee Stock Option Plan' (ESOP 2006). Each stock option entitles the holder to one equity share of ₹ 5/- each. The outstanding options are fully vested as of March 31, 2008. The exercise period for vested options is upto January 16, 2010.

b. During the year ended March 31, 2009 the shareholders of the Parent Company approved the 'Employee Stock Options Plan 2008 ('ESOP – 2008'). Under the said scheme, 2,600,000 (1,625,000 Equity Shares of ₹ 10/- each post consolidation and bonus) equity shares were allotted to MCX ESOP Trust who administer the ESOP Scheme on behalf of the Parent Company. MCX ESOP Trust has granted (a) 2,101,200 (1,313,250 Equity Shares of ₹ 10/- each post consolidation and bonus) numbers of options convertible into 2,101,200 equity shares of ₹ 5 each to eligible employees on 2 July 2008 and 23 August 2008 in aggregate and (b) 331,750 (including the lapsed options available for reissuance) numbers of options convertible into 331,750 equity shares of ₹ 10 each to the eligible employees on 24 October 2011. Details of the Options granted by the MCX ESOP Trust is as under :

Options granted up to March 14, 2011Pre-consolidation and issue of bonus shares-

Grant Date	No. of Options granted	Exercise Price	Vesting period
July 02, 2008	626,760	₹ 90	July 2, 2008 to July 2, 2009
	626,760	₹ 90	July 2, 2008 to July 2, 2010
	835,680	₹ 90	July 2, 2008 to July 2, 2011
August 23, 2008	3,600	₹ 90	August 23, 2008 to August 23, 2009
	3,600	₹ 90	August 23, 2008 to August 23, 2010
	4,800	₹ 90	August 23, 2008 to August 23, 2011

Options granted up to March 14, 2011 as adjusted for consolidation and issue of bonus shares equivalent-

Grant Date	No. of Options granted	Exercise Price	Vesting period
July 02, 2008	391,725	₹144	July 2, 2008 to July 2, 2009
	391,725	₹144	July 2, 2008 to July 2, 2010
	522,300	₹ 144	July 2, 2008 to July 2, 2011
August 23, 2008	2,250	₹ 144	August 23, 2008 to August 23, 2009
	2,250	₹ 144	August 23, 2008 to August 23, 2010
	3,000	₹ 144	August 23, 2008 to August 23, 2011

Options granted after March 14, 2011 Post consolidation and issue of bonus shares:

Grant Date	No. of Options granted	Exercise Price	Vesting period
October 24, 2011	99,525	₹ 390	October 24, 2011 to October 24, 2012
	99,525	₹ 390	October 24, 2011 to October 24, 2013
	132,700	₹ 390	October 24, 2011 to October 24, 2014

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of ₹ 10 each. Exercise period for each option granted on 02 July 2008 and 23 August 2008 is three years from the date of their respective vesting. Exercise period for each option granted on 24 October 2011 is one year from the date of their respective vesting.

The intrinsic value per option for ESOP 2006 and ESOP 2008 is ₹ 6.50 and ₹ Nil respectively. The estimated fair value per option for ESOP 2006 is ₹6.90 and for ESOP 2008 is ₹ 15.64 for options granted on July 2, 2008 and ₹16.62 for options granted on August 23, 2008. The Fair values have been determined using the Binomial Option Pricing Model considering the following parameters -

	ESOP 2006	ESOP 2008	
	January 16, 2006	July 2, 2008	August 23, 2008
(i) Fair Value of share at grant date	₹ 20.50	₹ 85	₹ 85
(ii) Exercise price	₹ 14.00	₹ 90	₹90
(iii) Expected volatility	0%	1%	1%
(iv) Option Life	3 Years	3.5 Years	3.5 Years
(v) Expected Dividends	10%	25%	25%
(vi) Risk free interest rate	6.5%	9.14%	9.13%

To allow for the effects of early exercise, it is assumed that the employee would exercise the options after vesting date.

Each option granted, at the time of grant of options, represent a right to the option grantee but not an obligation to apply for 1 fully paid up equity share of ₹5/- each of the Company at pre-determined exercise price i.e. ₹90/- . Due to corporate action on 14 March 2011 for consolidation of 2 fully paid up equity shares of ₹5/- each into 1 fully paid up equity share of ₹10/- each and issue of bonus equity shares in the ratio of 1 equity share for every 4 equity shares held, each of the outstanding options now represent a right to the option grantee to apply for 1 fully paid up equity share of ₹10/- each of the Company at duly adjusted exercise price i.e. ₹144/- pursuant to the said corporate action.

The intrinsic value per option for ESOP 2008 is ₹ Nil. The estimated fair value per option for ESOP 2008 is ₹ 324.99 for options granted on 24 October 2011.The Fair values have been determined using the Black Scholes Formula considering the following parameters :-

	ESOP 2008
	October 24, 2011
(i) Fair Value of share at grant date	₹ 385
(ii) Exercise price	₹ 390
(iii) Expected volatility	2.26%
(iv) Option Life	3 Years
(v) Expected Dividends	Not Considered
(vi) Risk free interest rate	8.60%
(vii) To allow for the effects of early exercise, it is assumed that the employee would exercise the options after vesting date.	

d. The volatility has been taken as 0% since the enterprise is an unlisted company and no similar enterprise is listed on any stock exchange in India.

e. Particulars of number of options granted and lapsed under the ESOP 2006 Scheme Pre consolidation and issue of bonus shares in respect of options granted upto March 31, 2010 are tabulated below:

Particular	**Number Of Options (Pre Consolidation and bonus) As at**	
	March 31, 2009	**March 31, 2010**
Outstanding at start of year	550,103	37,100
Granted during the year	-	-
Forfeited during the year	4,000	31,100
Exercised during the year	509,003	6,000
Outstanding at end of year	37,100	-
Exercisable / vested at end of year	37,100	-
Expense arising from stock option plan during the year (₹ in million).	-	-

The particulars of number of options granted and lapsed under the ESOP 2006 Scheme as adjusted for consolidation and issue of bonus shares in respect of options granted up to March 31, 2010 are tabulated below:

Particular	**Number Of Options (Equivalent Post Consolidation and bonus) As at**	
	March 31, 2009	**March 31, 2010**
Outstanding at start of year	343,815	23,188
Granted during the year	-	-
Forfeited during the year	2,500	19,438
Exercised during the year	318,127	3,750
Outstanding at end of year	23,188	-
Exercisable / vested at end of year	23,188	-
Expense arising from stock option plan during the year (₹ in million).	-	-

f. Particulars of number of options granted and lapsed under the ESOP 2008 Scheme Pre consolidation and issue of bonus shares in respect of options granted up to March 31, 2010 are tabulated below:

Particular	Number of Options (Pre consolidation and bonus) As at	
	March 31, 2009	March 31, 2010
Outstanding at start of year	-	2,007,050
Granted during the year	2,101,200	-
Forfeited during the year	94,150	43,090
Exercised during the year	-	587,300
Outstanding at end of year	2,007,050	1,376,660
Exercisable / vested at end of year	-	9,350
Expense arising from stock option plan during the year (₹ in million).	-	-

The particulars of number of options granted and lapsed under the ESOP 2008 Scheme as adjusted for consolidation and issue of bonus shares in respect of options granted up to March 31, 2010 are tabulated below:

Particular	Number of Options (Post consolidation and bonus*) As at	
	March 31, 2009	March 31, 2010
Outstanding at start of year	-	1,254,407
Granted during the year	1,313,250	-
Forfeited during the year	58,843	26,931
Exercised during the year	-	367,062
Outstanding at end of year	1,254,407	860,414
Exercisable / vested at end of year	-	5,843
Expense arising from stock option plan during the year (₹ in million).	-	-

g. The particulars of number of options granted and lapsed under the ESOP 2008 Scheme in respect of options granted after March 31, 2010 are tabulated below:

Particular	Number of Options (Post consolidation and bonus*) As at	
	March 31, 2011	December 31, 2011
Outstanding at start of year / period	860,414	483,380
Granted during the year / period	-	331,750
Forfeited during the year / period	18,003	9,712
Exercised during the year / period	359,015	467,477
Outstanding at end of year / period	483,380**	337,941
Exercisable / vested at end of year / period	8,524***	12,441

All the grants have taken place post March 14, 2011. The balances and movements prior to March 15, 2011 in the above table are adjusted for the consolidation and issue of bonus shares on March 14, 2011.

* Fractional options / shares arising out of consolidation and bonus have been adjusted accordingly.

** Fractional options outstanding arising out of consolidation and bonus at the end of the year has been ignored after making necessary adjustments in the options outstanding.

*** Fractional options exercisable / vested arising out of consolidation and bonus at the end of the year have been ignored after making necessary adjustments in the options exercisable / vested.

h. The shareholders of the Parent Company approved the re-issuance of lapsed options granted under the ESOP 2006 and ESOP 2008 Scheme to eligible employees and directors of the Parent Company at such price and in such manner as the Board of Directors and the Compensation Committee may deem fit. Details of lapsed option available for re-issuance are as follows:

(Number of Options)

Lapsed Option available for reissuance (Post consolidation and bonus)*				
Particulars	**As at**			
	March 31,2009	**March 31,2010**	**March 31,2011**	**December 31, 2011**
ESOP 2006	115,725	135,163	-	-
ESOP 2008	58,843	85,775	103,799	93,503

* The lapse prior to March 15, 2011 included in the above table are as adjusted for consolidation and issue of bonus shares.

i.

(₹in million)

Particulars	**As at**			
	March 31,2009	**March 31,2010**	**March 31,2011**	**December 31, 2011**
The impact on the profit after tax of the Company using the Fair Value Method as per the Guidance Note on 'Accounting for employee share based payments' is as follows:	7.70	5.38	2.46	10.36

The above data relating to value is disclosed after considering the impact of consolidation and bonus issue.

However, considering the negligible impact on the profit for the year, EPS – Basic and Diluted, on two decimal basis remains the same.

11. The Parent Company's ESOP is administered through an ESOP Trust, which subscribes to shares of the Parent Company and holds them until issuance thereof based on vesting and exercise of options by employees. At the time of formation of the trust, the Parent Company has provided an interest bearing loan amounting to ₹ 221 million to the Trust to subscribe to 2,600,000 equity shares issued at ₹ 85 per share. As per the Guidance Note on Accounting for Employee Share Based payments issued by the Institute of Chartered Accountants of India, the amount of loan equivalent to the face value of securities subscribed [₹ 13 million] has been deducted from share capital account and the balance part of the loan representing the amount of share premium paid for the securities subscribed [₹ 208 million] has been deducted from the share premium account.

The closing balance of such loan is as follows:

(₹in million)

Particulars	As at			
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Principal Outstanding (reduced from share capital and securities premium)	221.00	165.29	111.30	40.49
Interest Accrued but not due (disclosed under current assets)	10.74	19.27	28.26	31.88
Total loan amount outstanding	**231.74**	**184.56**	**139.56**	**72.37**
Principal Outstanding relating to				
- Share Capital	13.00	9.72	6.55	2.38
- Securities Premium	208.00	155.57	104.75	38.11
Total	**221.00**	**165.29**	**111.30**	**40.49**

12. Fixed deposits under lien

(₹in million)

	As at			
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Fixed deposits under lien with banks for overdraft facilities and bank guarantee	1,237.50	618.78	1,621.26	1492.56

13. The Parent Company does not treat member's margin and income thereon as a part of SGF as contemplated under FMC guidelines of SGF issued in 2006 and therefore credits the said income (amount unascertained) to profit and loss account. Representations have been made to FMC and response is awaited.

14. MCX-SX capital reduction and issue of warrants to MCX:

(a) Consequent to capital reduction and issue of warrants to MCX against its holding of equity shares of face value of ₹ 617,135,000 in MCX-SX, in compliance with a Court sanctioned scheme in March, 2010, the Company, based on counsels' opinion continues with its stand of no tax liability arising consequent to the same and therefore no tax liability has been determined or recognised in the financial statements.

(b) The Company has investments aggregating ₹ 1,310.71 million in equity shares and warrants of MCX Stock exchange Limited (MCX-SX). The business of MCX-SX has commenced and it has a positive net worth as at December 31, 2011. The Company believes that the business of MCX-SX would be more profitable when it receives SEBI's permission for its proposed activities of dealing in interest rate derivatives, equity, futures and options on equity and wholesale debt segments and all other segments which is pending. These investments are, in the opinion of the management, considered to be good and valuable, and not due for any provisioning.

Annexure V: Statement of dividends paid

(₹ in million)

	Financial year ended			Nine months ended
	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Equity share capital [refer Note 8 to Annexure IV – II]	407.96	407.99	509.99	509.99
Rate (%) of dividend *	50%	50%	50%	-
Amount of dividend	205.29	203.99	254.99	-
Amount of corporate dividend tax	34.89	33.88	41.37	-

* Rate of dividend is the rate declared by the Parent Company for the year.

Annexure VI: Statement of accounting ratios, as restated

(₹ in million)

		As at / for the year/period ended			
		March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Net Profit, as restated	A	1,588.38	2,208.08	1,762.73	2,179.52
Equity shares outstanding at the year end (Number)	B	50,994,619	50,998,369	50,998,369	50,998,369
Weighted average number of equity shares for basic earning per share (Number)	C	50,267,774	50,996,264	50,998,369	50,998,369
Add: Potential dilutive number of equity shares :					
- Outstanding ESOPs (Number)		258,706	14,547	-	-
Weighted average number of equity shares for diluted earnings per share (Number)	D	50,526,480	51,010,811	50,998,369	50,998,369
Networth	E	4,936.50	6,968.12	8,488.49	10,739.25
Ratios:					
Basic Earning Per Share (₹)	A/C	31.60	43.30	34.56	42.74
Diluted Earning Per Share (₹)	A/D	31.44	43.29	34.56	42.74
Net Asset Value Per Share (₹)	E/B	96.80	136.63	166.45	210.58
Return on Net Worth (%.)	A/E	32.18	31.69	20.77	20.29

Notes:

1) Ratios have been computed on the basis of restated consolidated summary statements for the respective years/period and are not annualised for the period ended December 31, 2011.

2) The number of shares, earnings per share and other ratios for all the years/ periods as disclosed above have been computed after adjusting for the consolidation of shares and issue of bonus shares during the year ended March 31, 2011 based on the requirements of Accounting Standard 20 'Earnings per Share'.

Annexure VII: Capitalisation statement, as restated

(₹ in million)

Particulars	As at December 31, 2011
Short term borrowings	-
Long term borrowings	-
Total debt	**-**
Shareholders' Funds	
1. Share capital	509.99
2. Reserves and surplus:	
- Securities Premium account	2,168.42
- General Reserve	782.88
- Settlement Guarantee Fund	18.71
- Profit and loss account	7,299.29
3. Amount recoverable from MCX ESOP Trust [refer Note 11 to Annexure IV – II]	(40.49)
4. Minority Interest	0.45
Total Shareholders' Funds (Equity)	**10,739.25**
Long Term Debt / Equity ratio	N.A.
Total Debt /Equity	N.A.

The Company is proposing to have an initial public offering through Offer for Sale, hence there will be no change in Shareholders Funds Post Issue.

Annexure VIII: Statement of other income, as restated

(₹in million)

Particulars	Financial year ended			Nine months ended
	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Dividend from investments				
- Current	260.17	144.41	322.72	308.71
Interest on bank deposits	149.99	207.92	163.33	136.15
Interest on Loan to MCX ESOP Trust	10.74	12.07	8.99	3.62
Interest on Income Tax Refund	10.12	-	-	-
Interest others	0.37	0.50	1.23	0.67
VSAT Connectivity Income (refer Note 2 below)	68.22	62.74	40.95	30.63
Profit on sale of investments (net)				
- Current	24.44	2.60	3.17	5.14
- Long term (Refer Note 1a and 1b below)	889.21	1469.98	53.08	76.48
Penalties from members(Also refer note 3 (b) (i) to Annexure IV-II)	29.43	25.97	48.67	45.84
Other recoveries from members (net)	31.45	43.25	22.81	26.16
Rental Income	25.15	44.32	40.20	29.42
Training and Certification fees	0.31	-	-	-
Miscellaneous income	34.36	49.43	81.53	58.69
Provision for doubtful advance written back since no longer required	-	-	-	0.18
Total other income	**1,533.96**	**2,063.19**	**786.68**	**721.69**

Notes:

1. Other income primarily consists of items of recurring nature and from normal business activity except :

    a) Profit on sale of equity shares of DGCX amounting to ₹ 727.89 million for the year ended March 31, 2009.

    b) Profit on sale of equity shares of MCX-SX amounting to ₹ 1,369.12 million for the year ended March 31, 2010.

2. The Parent Company receives non-refundable deposits from members for networking equipment (‘VSAT’) installed at the members’ locations. Members can surrender VSATs to the Parent Company or to other members subject to certain conditions. The Parent Company amortizes the deposit received by credit to revenue over the period of depreciation on VSAT equipment i.e. sixty months. Accordingly, the Parent Company has appropriated the amounts (as stated below) from the deposits and included the same under Other Income.

(₹in million)

		Financial year ended			Nine months ended
		March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
a.	Aggregate amount received from members towards deposits (non-refundable) for VSAT and outstanding at the year / period end net of	40.52	26.41	14.51	9.76

		Financial year ended			Nine months ended
		March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
	appropriation				
b.	Appropriation from the deposits for the year / period and included in other income under the head VSAT Connectivity Income.	31.47	26.00	19.04	8.43

Annexure IX: Statement of sundry debtors and loans and advances, as restated

(A) Statement of sundry debtors, as restated.

(₹ in million)

Particulars	As at			
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Outstanding for a period exceeding six months	38.68	51.33	110.54	158.81
Others	254.96	305.14	454.58	430.08
	293.64	356.47	565.12	588.89
Less: Provision for doubtful debts	24.69	52.66	76.44	94.86
Total sundry debtors	**268.95**	**303.81**	**488.68**	**494.03**

None of the above sundry debtors are related to promoters, directors of the company.

(₹ in million)

Particulars	As at			
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Considered good	268.95	303.81	488.68	494.03
Considered doubtful	24.69	52.66	76.44	94.86
Total sundry debtors	**293.64**	**356.47**	**565.12**	**588.89**
Secured Debtors [refer note (B) 1 to Annexure IX]	264.10	266.01	390.01	388.17

(B) Statement of loans and advances, as restated

(₹ in million)

Particulars	As at			
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Advances recoverable in cash or in kind or for value to be received	195.24	812.84	757.70	717.22
Advance to Subsidiaries	14.07	-	-	-
Advance tax paid including tax deducted at source (net of provision)	183.57	252.28	116.25	233.64
Premises and other deposits	72.61	66.61	23.13	10.52
	465.49	1,131.73	897.08	961.38
Less: Provision	13.07	23.79	0.47	0.50
Total loans and advances	**452.42**	**1,107.94**	**896.61**	**960.88**
Loans & Advances of Group Co				
Atom Technologies Limited	-	-	-	-
Bahrain Financial Exchange	-	0.54	-	-
Bourse Africa Ltd.	0.25	0.05	-	0.21
CMSL	3.73	-	-	-

Particulars	As at			
	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
DGCX	-	0.03	-	-
FTKMC	2.28	-	-	0.66
Financial Technologies Middle East DMCC	-	-	-	-
Global Payments Networks Limited.	0.01	-	-	-
GBOT	-	0.03	-	-
IBS Forex Limited	-	-	-	-
IEEL	2.78	1.17	-	-
Indian Bullion Market Ltd.	-	-	-	-
MCX-SX	12.63	9.60	-	-
MCX SX CCL	1.44	0.21	-	-
NBHC	-	-	-	9.71
NSEL	5.22	3.95	-	0.96
Riskcraft Consulting Ltd.	0.02	-	-	-
SMX	0.76	1.33	-	0.44
SME	-	-	-	-
SNX	12.75	12.79	-	-
TAER	7.31	-	-	0.02
Tickerplant Infovending Limited	3.86	5.43	-	-
Loans & Advances of Group Co	**53.04**	**35.13**	**-**	**12.00**
Other Loans and Advances (refer note 2 below)	412.45	1096.60	897.08	949.38
Total loans and advances	**465.49**	**1,131.73**	**897.08**	**961.38**

(₹in million)

Particulars	As at			
	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Considered good	452.42	1,107.94	896.61	960.88
Considered doubtful	13.07	23.79	0.47	0.50
Total loans and advances	**465.49**	**1,131.73**	**897.08**	**961.38**
Secured advances (refer Note 1 below)	0.36	0.41	12.85	20.43

Notes:

1. Secured by cash margins /bank guarantees /fixed deposit receipts and hypothecation of movables such as commodities, securities etc. from members and balance are unsecured.
2. Other Loans and advances includes

(₹in million)

Particulars	As at			
	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Advances to the Director of the Company (Maximum balance outstanding during the year)	-	-	-	-
Leased Premises Deposit to Director	0.60	0.60	0.60	0.60

Annexure X: Statement of investments, as restated

(₹in million)

Particulars	As at			
	March 31,2009	**March 31,2010**	**March 31,2011**	**December 31,2011**
Long Term : (unquoted) [At Cost] Non – Trade				
In equity shares of subsidiary companies				
MCX Stock Exchange Limited.	688.50	-	-	-
MCX SX Clearing Corporation Limited	13.38	-	-	-
SME Exchange of India Limited	-	-	-	-
Sub Total	**701.88**	-	-	-
In equity shares of other company:				
MCX Stock Exchange Limited	-	27.17	27.17	27.17
MCX SX Clearing Corporation Limited	-	68.34	70.93	72.29
Safal National Exchange of India Limited	72.00	72.00	-	-
Less: Provision for diminution in value of Investments	(72.00)	(72.00)	-	-
Dubai Gold and Commodities Exchange DMCC – Class B shares (company under same management)	21.85	21.85	21.85	21.85
Sub Total	**21.85**	**117.36**	**119.95**	**121.31**
In warrants of other companies:				
MCX Stock Exchange Limited	-	1,283.54	1,283.54	1,283.54
Sub Total	-	**1,283.54**	**1,283.54**	**1,283.54**
In units of Mutual Funds				
Axis Fixed Term Plan - Series 15 (370 Days) Dividend Payout	-	-	-	100.00
Baroda Pioneer 380 Day FMP - Series 1 – Growth Plan	-	-	50.00	50.00
Baroda Pioneer 367 Day FMP - Series 2 – Dividend Plan	-	-	-	100.00
Birla FTP Instl – Series AQ Growth	100.00	-	-	-
Birla Sun Life FTP - Series BI Institutional – Growth	100.00	-	-	-
Birla Sun Life Fixed Term Plan Series DL - Growth	-	-	-	100.00
Birla Sun Life Fixed Term Plan Series CI - Growth	-	-	100.00	-
Birla Sun Life Fixed Term Plan Series CK - Growth	-	-	100.00	100.00
Birla Sun Life Fixed Term Plan Series CO - Growth	-	-	100.00	100.00
Birla Sun Life Fixed Term Plan Series DT - Growth	-	-	-	100.00
DSP BlackRock FMP 12M Series 11 Growth	-	-	50.00	50.00
DSP BlackRock FMP 12M Series 14 Growth	-	-	100.00	100.00
DSP BlackRock FMP 12M Series 23 Growth	-	-	-	50.00
DWS Fixed Term Fund Series 94 Growth	-	-	-	50.00
Fidelity FMP Series 6 Plan A Growth	-	-	-	50.00
Fortis FTP Ser 10 Plan F Institutional- Growth	55.59	-	-	-
HDFC FMP 13M October, 2009 - Series XI - Growth	-	200.00	-	-

Particulars	As at			
	March 31,2009	**March 31,2010**	**March 31,2011**	**December 31,2011**
HDFC FMP 370 D March 2011 (1) - Growth - Series XVI	-	-	100.00	100.00
HDFC FMP 375 D July 2011 (2) -Dividend - Series XVIII	-	-	-	100.00
HDFC FMP 370 D December (1) - Growth	-	-	-	100.00
HSBC Fixed Term Series 79 - Growth	-	-	50.00	50.00
HSBC Fixed Term Series 81 - Dividend		-	-	100.00
IDFC FMP Yearly Series 19 Plan B Growth	50.00			-
IDFC FMP Yearly Series 20 Plan B Growth	50.00	-	-	-
ICICI Prudential FMP Series 41-19 Months Plan – Retail Cumulative	250.00	-	-	-
ICICI Prudential FMP Series 53 - 1Year Plan C Cumulative	-	-	100.00	-
ICICI Prudential Regular Savings Fund Growth	-	-	50.00	50.00
IDBI FMP - 367 Days Series I - (February 2011) A Growth	-	-	100.00	100.00
IDFC Fixed Maturity Yearly Series 38 Growth	-	-	100.00	100.00
IDFC Fixed Maturity Yearly Series 40 Growth	-	-	50.00	50.00
JPMorgan India Fixed Maturity Plan 400 D Series 1Growth Plan	-	-	100.00	100.00
JM Fixed Maturity Fund Series XX – Plan B Growth Plan	-	-	-	50.00
JM Fixed Maturity Fund Series IX – 15 Months Plan – Institutional Growth Plan	50.00	-	-	-
Kotak FMP - 13M Series 5 - Growth	-	100.00	-	-
Kotak FMP 370 Days Series 2 - Growth	-	50.00	50.00	-
Kotak Credit Opp.Fund Growth	-	-	50.00	-
Kotak FMP – 13 M Series 5 – Institutional Growth	100.00	-	-	-
Kotak FMP – 15 M Series 4 Institutional Growth	50.00	-	-	-
L&T FMP - V (December 368 DA) Growth	-	-	-	50.00
Principal PNB Fixed Maturity Plan 385 Days Series XI - Mar 09- Institutional Growth Plan	50.00	50.00	-	-
Reliance Fixed Horizon Fund - XII - Series 3 - Super Institutional Plan Growth	100.00	100.00	-	-
Reliance Fixed Horizon Fund XVI Series 2 - Growth Plan	-	-	100.00	-
Reliance Fixed Horizon Fund XVI Series 3 - Growth Plan	-	-	100.00	-
Reliance Fixed Horizon Fund XIX Series 8 - Growth Plan	-	-	100.00	100.00
Reliance Regular Savings Fund – Debt Plan – Institutional Growth Plan	-	110.00	112.30	112.30
Reliance Fixed Horizon Fund XX Series 24 Dividend Plan	-	-	-	100.00
Reliance Fixed Horizon Fund XXI Series 13 - Growth Plan	-	-	-	100.00
Reliance Fixed Horizon Fund XXI Series 14 - Growth Plan	-	-	-	100.00
Religare Yearly FMP - Series I - Plan A (375	100.00	100.00	-	-

Particulars	As at			
	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Days) - Inst. Growth				
Religare Fixed Maturity Plan Series III Plan F (370 Days) Growth	-	-	100.00	-
Religare Fixed Maturity Plan Series IV Plan E (370 days)Growth Plan	-	-	100.00	-
Religare Fixed Maturity Plan Series IV Plan F Growth Plan	-	-	100.00	100.00
Religare Fixed Maturity Plan Series VI Plan B (370 Days) Growth Plan	-	-	50.00	50.00
Religare Fixed Maturity Plan Series VII Plan C (369 Days) Dividend Plan	-	-	-	100.00
Religare Fixed Maturity Plan Series VIII Plan F (369 Days) Dividend	-	-	-	100.00
Religare Fixed Maturity Plan Series X Plan B (370 Days) Dividend	-	-	-	100.00
Religare Fixed Maturity Plan Series X Plan F Growth	-	-	-	100.00
SBI Debt Fund Series 367 Days 5 - Dividend	-	-	-	100.00
SBI Debt Fund Series 367 Days 9 - Growth	-	-	-	100.00
SBI Debt Fund Series 367 Days 11 - Growth	-	-	-	100.00
SBNPP Fixed Term Plan F Inst. - Growth	100.00	-	-	-
SBNPP FTP 367 Days Series 8 Super Inst-Gr	100.00	100.00	-	-
SBNPP FTP 18 Months Series Y - Growth	-	50.00	50.00	-
Sundaram Fixed Term Plan AS 367 Days Growth	-	-	50.00	-
Sundaram Fixed Term Plan BN 366 Days Growth	-	-	-	50.00
Sundaram Fixed Term Plan CA 366 Days Growth	-	-	-	50.00
Tata Fixed Maturity Plan Series 29 Scheme A - Growth	-	-	50.00	-
Tata Fixed Maturity Plan Series 29 Scheme C - Growth	-	-	50.00	50.00
Tata Fixed Maturity Plan Series 31 Scheme B - Growth	-	-	50.00	50.00
Tata Fixed Maturity Plan Series 36 Scheme B - Dividend	-	-	-	100.00
Tata Fixed Maturity Plan Series 37 Scheme B - Growth	-	-	-	100.00
Tata Fixed Maturity Plan Series 37 Scheme C - Growth	-	-	-	50.00
Templeton India Income Opportunities Fund - Growth	-	50.00	100.00	100.00
Templeton Fixed Horizon Fund Series VII – Plan C Institutional Growth	50.00	-	-	-
Taurus Fixed Maturity Plan 15 Months Series 1 Institutional Growth Plan	-	50.00	50.00	-
UTI Fixed Term Income Interval Fund Annual Interval	-	-	-	100.00

Particulars	As at			
	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Plan Series II Institutional Dividend Plan Payout				
UTI Fixed Term Income Fund Series X - IV (369 days) Dividend Plan - Payout	-	-	-	50.00
Religare Fixed Maturity Plan Series X Plan E 371 Growth	-	-	-	26.00
Sub Total	**1,305.59**	**960.00**	**2,412.30**	**3,988.30**
Current: (Unquoted) [At Lower of Cost and Fair Value] Non –Trade				
In units of mutual funds				
Baroda Pioneer Treasury Advantage Fund - Institutional Daily Dividend Plan	-	200.34	353.49	250.42
Baroda Pioneer 90 Day FMP - Series 5 - Dividend Plan	-	-	-	50.00
Baroda Pioneer Liquid Fund – Institutional Daily Dividend	350.33	-	-	-
Baroda Pioneer PSU Bond Fund Monthly Dividend Plan	-	-	-	49.96
Birla Sunlife Income Fund Growth	-	-	-	100.00
Birla Sunlife Cash Manager IP Daily Dividend – Reinvestment	50.01	-	-	-
BSL Interval Income Fund - INSTL - Quarterly - Series 1 - Dividend Payout	-	50.00	-	-
Birla Sunlife Short Term FMP Series 7 Dividend - Payout	-	-	100.01	-
Birla Sunlife Short Term FMP Series 9 Dividend - Payout	-	-	100.00	-
Birla Sunlife Short Term FMP Series 19 Dividend Payout	-	-	-	100.00
Birla Sunlife Short Term FMP Series 23 Dividend Payout	-	-	-	50.00
Birla Sunlife Short Term FMP Series 22 Dividend Payout	-	-	-	100.00
BSL Interval Income Fund - INSTL - Quarterly - Series 2 - Dividend Payout	-	50.00	-	-
BSL Floating Rate Fund - Long Term - INSTL - Weekly Dividend	-	100.24	-	-
BNP Paribas Fixed Term Fund Ser 19 F Cal.Qtrly.Dividend	-	-	50.00	-
BNP Paribas Fixed Term Fund Ser 20 B Dividend	-	-	50.00	
BNP Paribas Short Term Income Fund Institutional Quarterly Dividend	-	-	-	148.89
Canara Robeco Interval Series 2 - Quarterly Plan 2 Inst Dividend Fund	-	-	-	49.99
Canara Robeco Short Term Institutional Dividend Fund	50.01	-	-	-
Canara Robeco Short Term Institutional Growth Fund	-	-	-	100.00
Canara Robeco Liquid Plus Institutional Dividend Fund	-	104.26	-	-

Particulars	As at			
	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Canara Robeco Short Term Institutional Monthly Dividend Fund	-	100.02	-	-
Daiwa Fixed Maturity Plan A Series 1 Dividend Option	-	-	-	50.00
DWS Fixed Term Fund Series 86 – Dividend Plan Payout	-	-	-	100.00
DWS Insta Cash Plus Fund Super Institutional Plan Daily Dividend	203.73	100.02	-	-
DWS Treasury Fund Investment - Insti Plan - Daily Dividend - Reinvest	-	100.29	-	
DWS Cash Opportunities Cash Fund - Institutional Daily Dividend -Reinvest	-	150.42	-	
DWS Treasury Fund Investment - Insti Plan - Daily Dividend - Reinvest	-		-	52.25
DSP BlackRock FMP 3M 29 Dividend	-	-	50.01	-
DSP BlackRock FMP 3M 28 Dividend	-	-	100.00	
DSP BlackRock FMP 6M Series 9 Dividend Payout	-	-	-	100.00
DSP BlackRock Short Term Fund Monthly Dividend	-	-	-	49.84
DSP BlackRock FMP 6M Series 10 Dividend Payout	-	-	-	100.00
DSP BlackRock FMP 6M Series 11 Dividend Payout		-	-	100.00
DSP BlackRock FMP 3M Series 19 Dividend Payout	-	-	-	100.00
Edelweiss Liquid Fund Super Inst Dividend Plan (Daily) - Reinvestment	-	50.02	-	-
Fidelity Short Term Income Fund - Dividend	-	-	150.04	-
Fortis Overnight Institutional Plus – Daily Dividend	151.54	100.02	-	-
HDFC Quarterly Interval Fund - Plan C Whole Sale Dividend	-	-	-	100.00
ICICI Prudential Institutional Liquid Super Institutional Plan - Dividend - Daily	-	100.03	-	-
ICICI Prudential Institutional Short Term Plan - DR - Fortnightly		103.07	-	-
ICICI Prudential Interval Fund II Quarterly Interval Plan B - Institutional Dividend	-	-	100.01	-
ICICI Prudential Banking and PSU Debt Fund Premium Plus Daily Dividend	-	100.40	354.01	-
ICICI Prudential Banking and PSU Debt Fund Premium Plus Weekly Dividend	-	-	-	101.40
ICICI Prudential Interval Fund II Quarterly Interval Plan A Institutional Dividend	-	-	100.00	100.00
ICICI Prudential Money Market Fund Cash Daily Dividend	-	-	-	100.02
ICICI Prudential FMP Series 53 - 6 Months Plan A Dividend	-	-	100.00	-
ICICI Prudential Institutional Liquid Plan –	100.02	-	-	-

Particulars	As at			
	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Super Institutional Daily Dividend				
ICICI Prudential Blended Plan B Institutional Daily Dividend Option - II	-	369.14	-	-
ICICI Prudential Interval Fund Half Yearly Interval Plan - II Institutional Dividend	-	-	-	100.00
ICICI Prudential Interval Fund Quarterly Interval Plan - I Institutional Dividend	-	-	-	100.00
IDFC Ultra Short Term Fund Daily Dividend	-	-	100.70	-
IDFC Half Yearly Series 12 Dividend	-	-	101.51	-
IDFC SSIF ST Plan C Monthly Dividend	-	-	-	99.27
JM Short Term Fund Institutional Plan Growth	-	-	-	100.00
JM Money Manager Fund Super Plan Institutional Plan Growth	-	-	-	100.00
JPMorgan India Short Term Income Fund Growth	-	-	-	250.00
JPMorgan India Treasury Fund – Super Inst. Daily Dividend - Reinvest	202.27	-	-	-
JM Fixed Maturity Fund Series XIX Plan B - Dividend Plan	-	-	100.00	-
JPMorgan India Liquid Fund - Super Inst. Daily Dividend Plan - Reinvest	-	100.02	-	-
Kotak Quarterly Interval Plan Series 6 Dividend		100.00	50.01	-
Kotak Quarterly Interval Plan Series 5 Dividend	-	-	50.01	-
Kotak Quarterly Interval Plan Series 3 Dividend	-	-	101.14	-
Kotak FMP - 3M - Series 10 – Dividend	-	-	50.00	
L&T Liquid Inst Daily Dividend Reinvestment Plan	-	100.02	-	-
L&T FMP -III (Feb 180DA) - Div Payout	-	-	100.00	-
L&T FMP -V (November 90DA) - Div Payout	-	-	-	100.00
LIC MF Liquid Fund -Dividend Plan	506.05	-	-	-
L&T Short Term Debt Fund GrowthPlan	-	-	-	150.00
Morgan Stanley Liquid Fund Daily Dividend	-	-	-	150.38
Morgan Stanley Short Term Bond Fund - Institutional Plus Weekly Dividend	-	201.19	-	-
Pramerica Liquid Fund - Daily Dividend Option - Reinvestment	-	-	200.15	-
Principal Pnb Fixed Maturity Plan 91 Days Series XXVIII Dividend Plan	-	-	50.01	-
Principal Cash Management Fund – Liquid Option Instl. Premium Plan	150.04	-	-	-
Reliance Fixed Horizon Fund - XVIII Series 1 Dividend Plan	-	-	100.00	
Reliance Fixed Horizon Fund - XVIII Series 3 Dividend Plan	-	-	100.00	-
Reliance Liquid Fund - Treasury Plan Institutional Option - Daily Dividend Option (Dividend Reinvestment)	-	50.22	-	-
Reliance Short Term Fund - Retail Plan - Dividend Plan	-	207.21	-	-
Reliance Quarterly Interval Fund Series II	-	-	50.00	-

Particulars	As at			
	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Institutional Dividend Plan				
Reliance Liquidity Fund Daily Dividend Reinvestment Option- (LQDD)	100.57	-	-	-
Reliance Fixed Horizon Fund - XX Series 5 Dividend Plan	-	-	-	100.00
Reliance Fixed Horizon Fund - XX Series 8 Dividend Plan	-	-	-	200.00
Religare Liquid Fund - Super Institutional Daily Dividend	50.05	100.02	-	
Religare Fixed Maturity Plan Series IX Plan A (180 Days) Dividend Plan	-	-	-	100.00
Religare Quarterly Interval Fund – Plan F – Dividend	100.00	-	-	-
Religare Short Term Plan - Institutional Daily Dividend	-	103.81	-	-
Religare Credit Opportunities Fund - Institutional Monthly Dividend	-	100.00	-	99.52
Religare Active Income Fund - Institutional - Monthly Dividend	-	100.51	-	-
Religare Fixed Maturity Plan - Series IV - Plan B (6 Months) - Dividend	-	-	100.00	-
Religare Medium Term Bond Fund - Quarterly Dividend	-	-	100.00	-
SBI Premier Liquid Fund Super Institutional - Daily Dividend	-	60.57	-	200.07
SBI DFS 180 Days 15 Dividend	-	-	100.00	-
SBI DFS 180 Days 12 Dividend	-	-	100.00	-
SBI DFS 180 Days 16 Dividend	-	-	100.00	-
SBI DFS 180 Days 23 Dividend	-	-	-	100.00
SBI DFS 180 Days 22 Dividend	-	-		200.00
SBI DFS 180 Days 21 Dividend		-	-	100.00
Sundaram Interval Fund Qly Plan A Inst Div	-	-	-	50.00
SBNPP Interval Fund Qly Plan D Inst Div	-	-	104.49	54.73
SBI Magnum Insta Cash Daily Dividend	50.17	-	-	-
SBNPP Money Fund Super Institutional Daily Dividend Reinvestment	100.10	50.03	-	-
Sundaram Interval Fund Qly Plan C Inst Div	-	-	100.02	-
Sundaram Fixed Term Plan BI 6 Months Dividend	-	-	-	100.00
Tata Fixed Income Portfolio Fund Scheme C2 Inst Half Yearly	-	-	100.00	200.00
Tata Fixed Maturity Plan Series 28 Scheme A Dividend	-	-	100.02	-
Tata Fixed Maturity Plan Series 28 Scheme B Dividend	-	-	100.00	-
Tata Fixed Income Portfolio Fund Scheme C3 Inst Half Yearly Dividend	-	-	-	100.00
Taurus Dynamic Income Fund Growth	-	-	-	100.00
Taurus Ultra Short Term Bond Fund Super Insti Daily Dividend Plan	-	302.55	-	-

Particulars	As at			
	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Taurus Fixed Maturity Plan 91 Days Series A - Dividend Plan	-	-	100.00	-
Taurus Fixed Maturity Plan 91 Days Series B - Dividend Plan	-	-	100.00	
Taurus Quarterly Interval Fund Series 2 Dividend Plan	-	-	-	50.00
Templeton India Ultra Short Bond Fund Super Institutional Plan – Daily Dividend Reinvestment	403.95	-	-	-
Templeton India Low Duration Fund - Monthly Dividend Payout	-	-	-	50.00
Templeton India Short Term Income Plan Institutional - Monthly Dividend Payout	-	-	-	50.00
Union KBC FMP Series 1 Dividend	-	-	-	75.00
Union KBC FMP Series 2 Dividend				50.00
UTI Liquid Cash Plan Institutional – Daily Income Option – Reinvestment	100.01	100.02	-	-
UTI - Fixed Income Interval Fund - Monthly Interval Plan - II - Institutional Dividend Plan - Payout	-	100.00	-	-
UTI Fixed Income Interval Fund - Quarterly Plan Series III - Institutional Dividend Plan Payout	-	50.00		-
UTI Fixed Income Interval Fund - Monthly Interval Plan II - Institutional Dividend Plan Payout	-	-	100.02	-
UTI Fixed Income Interval Fund Series II - Quarterly Interval Plan IV - Institutional Dividend Plan	-	-	100.00	100.00
UTI Fixed Income Interval Fund Series II – Quarterly Interval Plan V - Institutional Dividend Plan	-	50.30	100.00	100.00
UTI Fixed Income Interval Fund Half Yearly Interval Plan II - Institutional Dividend Plan Payout	-	-	100.00	-
UTI Fixed Income Interval Fund Series II - Quarterly Plan VI - Institutional Dividend Plan Payout	-	-	-	100.00
UTI Short Term Income Fund Institutional Income Option - Payout	-	-	-	49.31
UTI Spread Fund	-	100.00	-	-
UTI Fixed Income Interval Fund SII QIP V Dividend				30.00
Birla Sunlife Short Term FMP Series 25				0.90
Religare Liquid Fund Institutional Daily Dividend		45.26		-
LIC MF Savings Plus Fund DDR		9.25		-
UTI Fixed Income Interval Fund SII QIP V Dividend			26.00	-
Religare FMP Series VIII Plan E(180 Days)			30.00	-

Particulars	As at			
	March 31,2009	**March 31,2010**	**March 31,2011**	**December 31,2011**
Dividend				
UTI Treasury Advantage MD - 514251503585	-	-	-	3.02
Sub Total	**2,668.85**	**3,809.25**	**4,421.65**	**5,564.97**
Total	**4,698.18**	**6,170.15**	**8,237.44**	**10,958.12**

Note:

a) The Company holds 634,170,000 warrants of MCX-SX as at 31 December 2011. Each warrant entitles the holder to subscribe to one equity share of Re. 1/- each of MCX-SX at any time after six months from the date of issue of warrants. The warrants are also freely transferable by endorsement and delivery. The warrants do not carry voting or dividend rights. The Company cannot increase, at any point of time, their shareholding in MCX-SX beyond permissible limits under MIMPS Regulations.

The Board of Directors
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255
Suren Road
Andheri (East)
Mumbai 400 093

25 January 2012

Dear Sirs

Auditors' Report on Standalone Financial Information ('SFI') prepared by Multi Commodity Exchange of India Limited ('the Company'), for inclusion in the offer document in connection with the proposed offer for sale of equity shares of the Company

1. We have examined the attached standalone financial information ('SFI') of Multi Commodity Exchange of India Limited ('the Company'), comprising summary Statement of Assets and Liabilities, as restated, summary Statement of Profit and Loss, as restated, summary Statement of Cash flows, as restated and other financial information explained in paragraph 8 below, as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II to the Companies Act, 1956 ('the Act'), the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 as amended to date ('SEBI ICDR Regulations') and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 6 January 2012 in connection with the proposed offer for sale of Equity shares of the Company.

2. The above financial information have been prepared by the management from the audited standalone financial statements of the Company for the years ended 31 March 2007, 31 March 2008, 31 March 2009, 31 March 2010 and 31 March 2011 (collectively referred to as 'the financial years') and for the nine months period ended 31 December 2011 (referred to as 'the financial period').

3. The standalone financial statements of the Company for the years ended 31 March 2010, 31 March 2011 and for the nine months period ended 31 December 2011 have been audited by us.

   The audit for the financial years ended 31 March 2007, 31 March 2008 and 31 March 2009 was conducted by previous auditors, Deloitte Haskins & Sells and accordingly reliance has been placed by us on the financial statements audited by them. Our examination of the restated SFI of the Company for the abovementioned financial years is based solely on the financial statements audited by them.

4. We have also examined the SFI of the Company for the period ended 31 December 2011 approved by the Board of Directors.

   The SFI for the abovementioned financial period was examined to the extent practicable, for the purpose of the audit of SFI in accordance with the Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India ('ICAI'). Those Standards require that we plan and perform our audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement.

5. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI ICDR Regulations, the Guidance Note (Revised) on Reports in Company Prospectuses issued by the ICAI, as amended from time to time ('the Guidance Note'), and in terms of our engagement agreed with you, we further report that:

   a) The Standalone Restated Summary Statement of Assets and Liabilities of the Company as at 31 March 2007, 31 March 2008, 31 March 2009, 31 March 2010, 31 March 2011 and 31 December 2011 examined by us, as set out in Annexure I to this report are after making such adjustments and regrouping as in our opinion were considered appropriate and more fully described in Note 2 to Annexure IV-II of SFI.

b) The Standalone Restated Summary Statement of Profit and Loss of the Company for the abovementioned financial years/period examined by us, as set out in Annexure II to this report are after making such adjustments and regrouping as in our opinion were considered appropriate and more fully described in Note 2 to Annexure IV-II of SFI.

c) The Standalone Restated Cash Flow Statement of the Company for the abovementioned financial years/period examined by us, as set out in Annexure III to this report are after making such adjustments and regrouping as in our opinion were considered appropriate and more fully described in Note 5 to Annexure III of SFI.

6. The Auditors' report on the financial statements of the Company for the financial years/period stated in the notes referred to herein have, without qualifying the opinion, drawn attention to (i) Note 3(b)(i) of Annexure IV – II, regarding treatment of 'other than FMC prescribed penalties' on IPF guidelines issued by the FMC on which the Company continues to make representations to FMC; (ii) Note 15 of Annexure IV – II, regarding treatment of members' margins and income thereon pending response from FMC on Company's representations on SGF guidelines of 2006; and (iii) Note 19(b) of Annexure IV – II, relating to the Company's stand that no tax liability is expected as a consequence to a court approved reduction-cum arrangement scheme of MCX - SX.

7. Based on above and also as per the reliance placed on the financial statements audited by the previous auditors, Deloitte Haskins & Sells for the financial years ended 31 March 2007, 31 March 2008 and 31 March 2009, we are of the opinion that the restated SFI, prepared by the management of the Company and approved by the Board of Directors, have been made after incorporating:

(i) adjustments for the material amounts in the respective financial years/period to which they relate as explained in Note 2 of Annexure IV – II to this report;

(ii) there are no qualifications in the auditors' reports which require any adjustment in the restated SFI. However, those qualifications in the auditors' report which do not require any corrective adjustment in the restated SFI have been disclosed in Note 1 of Annexure IV – II to this report; and

(iii) there are no extraordinary items which need to be disclosed separately in the restated SFI.

8. We have also examined the following other SFI set out in Annexures prepared by the management and approved by the Board of Directors relating to the Company for the above mentioned financial years/period. In respect of the years ended 31 March 2007, 31 March 2008 and 31 March 2009, these information have been included based upon the financial statements audited by the previous auditors, Deloitte Haskins & Sells and relied upon by us:

a) Statement of dividend paid by the Company, enclosed as Annexure V.

b) Statement of accounting ratios enclosed as Annexure VI.

c) Statement of tax shelter, enclosed as Annexure VII.

d) Statement of capitalization as at 31 December 2011, enclosed as Annexure VIII.

e) Statement of other income, enclosed as Annexure IX.

f) Statement of sundry debtors and loans and advances, enclosed as Annexure X.

g) Statement of investments, enclosed as Annexure XI.

9. In our opinion, the above SFI of the Company contained in Annexures I to XI to this report, read with the Significant Accounting Policies in Annexure IV-I and Notes appearing in Annexure IV – II to this report, after making such adjustments and regrouping as were considered appropriate as set out in Note 2 of Annexure IV – II to this report and read with paragraph 6 above, have been prepared in accordance with Paragraph B, Part II of Schedule II of the Act , the SEBI ICDR Regulations, the above mentioned Guidance Note and in terms of our engagement agreed with you.

10. The report should not in any way be construed as a reissuance or redating of any of the previous audit report issued by us or the Company's previous auditors nor should this be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the management and for inclusion in the Offer document in connection with the proposed offer for sale of Equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose without our prior written consent.

For **B S R and Company**
Chartered Accountants
Firm Registration No: 128900W

N Sampath Ganesh
Partner
Membership No: 042554

Annexure I: Standalone summary statement of assets and liabilities, as restated

(₹ in million)

		As at					
		March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
A.	**Fixed Assets :**						
	Gross block	1,110.77	1,291.97	2,594.76	2,678.78	2,916.53	3,095.44
	Less : Accumulated depreciation/ amortisation	207.63	325.29	508.85	753.58	963.56	1,165.39
	Net block	903.14	966.68	2,085.91	1,925.20	1,952.97	1,930.05
	Add: Capital work-in-progress	390.90	505.19	2.68	2.65	0.49	0.43
	Total (A)	**1,294.04**	**1,471.87**	**2,088.59**	**1,927.85**	**1,953.46**	**1,930.48**
B.	**Investments (B)**(refer Annexure XI)	**3,167.35**	**5,249.10**	**4,698.29**	**6,172.32**	**8,235.51**	**10,951.40**
C.	**Current Assets, Loans and Advances :**						
	Sundry debtors [refer Annexure X A)]	165.27	148.02	268.95	303.81	488.68	494.03
	Cash and bank balances (refer Note 18 to Annexure IV – II)	1,889.53	1,046.75	4,058.04	2,700.05	3,310.00	2,283.96
	Other Current Assets	15.52	6.78	91.75	78.34	113.13	96.74
	Loans and advances [refer Annexure X – (B)]	157.73	581.54	458.49	1,107.94	896.61	960.88
	Total (C)	**2,228.05**	**1,783.09**	**4,877.23**	**4,190.14**	**4,808.42**	**3,835.61**
	Total (A+B+C)	**6,689.44**	**8,504.06**	**11,664.11**	**12,290.31**	**14,997.39**	**16,717.49**
D.	**Liabilities and Provisions:**						
	Current liabilities and provisions(refer Note 9 to Annexure IV-II)	3,735.39	4,897.25	6,634.73	5,214.22	6,385.43	5,829.76
	Total (D)	**3,735.39**	**4,897.25**	**6,634.73**	**5,214.22**	**6,385.43**	**5,829.76**
E.	**Deferred tax liability (net) (E)**	**35.24**	**19.82**	**87.18**	**106.26**	**127.09**	**156.89**
F.	**Net worth (A+B+C-D-E)**	**2,918.81**	**3,586.99**	**4,942.20**	**6,969.83**	**8,484.87**	**10,730.84**
G.	**Represented by**						
	1. Share capital (refer Note 8 to Annexure IV –II)	390.75	392.41	407.96	407.99	509.99	509.99
	2. Stock Option Outstanding Account (refer Note 11 to Annexure IV-II)	2.50	3.58	0.24	-	-	-
	3. Reserves and Surplus						
	- Securities Premium (refer Note 14 to Annexure IV – II)	2,151.48	2,054.63	2,264.70	2,270.41	2,168.42	2,168.42
	- Amount recoverable from MCX ESOP Trust (refer Note 17 to Annexure IV-II)	-	-	(221.00)	(165.29)	(111.30)	(40.49)
	- Settlement Guarantee Fund	-	-	15.12	16.34	17.47	18.71
	- General Reserves	140.70	246.18	389.27	610.10	782.92	782.91
	- Balance in Profit and Loss Account	233.38	890.19	2,085.91	3,830.28	5,117.37	7,291.30
	Networth (Total of G)	**2,918.81**	**3,586.99**	**4,942.20**	**6,969.83**	**8,484.87**	**10,730.84**

The above statement should be read with the Significant Accounting Policies and Notes to Standalone Statement of Assets and Liabilities, Profit and Loss Account and Cash Flows as appearing in Annexure IV.

Annexure II: Standalone summary statement of profit and loss, as restated

(₹ in million)

	Financial year ended					Nine months ended
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Income						
Transaction fees	1,102.86	1,445.04	1,860.96	2,640.80	3,495.40	3,868.19
Membership Admission fees	416.13	110.91	105.21	69.64	35.14	41.36
Annual subscription fees	39.33	95.25	135.94	136.20	134.74	98.81
Terminal charges	32.09	25.41	22.37	27.18	23.64	14.97
IT Enabled/Software related services	65.39	59.97	-	-	-	-
Income from operations	**1,655.80**	**1,736.58**	**2,124.48**	**2,873.82**	**3,688.92**	**4,023.33**
Other Income (refer Annexure IX)	407.52	1,004.93	1,533.96	2,061.67	783.95	718.64
Total Income	**2,063.32**	**2,741.51**	**3,658.44**	**4,935.49**	**4,472.87**	**4,741.97**
Expenditure						
Staff costs	161.85	305.33	254.34	217.50	264.31	201.35
Administration and other operating expenses (refer Note 4 to Annexure IV – II)	539.98	948.09	1,100.02	1,240.29	1,507.00	1,216.75
Depreciation/ Amortisation	89.71	119.94	199.56	247.43	246.59	204.39
Interest	6.06	0.19	1.79	0.40	0.20	0.02
Total Expenditure	**797.60**	**1,373.55**	**1,555.71**	**1,705.62**	**2,018.10**	**1,622.51**
Net profit before tax	**1,265.72**	**1,367.96**	**2,102.73**	**3,229.87**	**2,454.77**	**3,119.46**
Provision for tax						
- Current tax	321.60	315.10	452.65	1,004.30	703.50	887.15
- Prior period tax	1.99	-	-	-	1.98	
- Deferred tax	5.98	(11.21)	63.15	19.08	20.83	(29.80)
- Wealth tax	0.21	0.32	0.29	0.27	0.23	0.15
- Fringe benefit tax	5.57	11.04	6.39	-	-	-
Net profit after tax as per standalone audited financial statements	**930.37**	**1,052.71**	**1,580.25**	**2,206.22**	**1,728.23**	**2,202.36**
Impact of prior period adjustments (refer Note 2 to Annexure IV-II)	4.24	(15.91)	13.82	(2.14)	29.17	(27.19)
Net profit, as restated	**934.61**	**1036.80**	**1,594.07**	**2,204.08**	**1,757.40**	**2,175.17**
Balance brought forward from previous year, as restated	371.69	233.38	890.19	2,085.91	3,830.28	5,117.37
Profit before appropriation, as restated	**1,306.30**	**1270.18**	**2,484.26**	**4,289.99**	**5,587.68**	**7,292.54**
Appropriations:						
Interim dividend	857.64	195.38	-	-	-	-
Proposed dividend	-	39.24	203.99	203.99	254.99	-
Final dividend of earlier year	-	-	1.30	-	-	-
Corporate dividend tax	120.28	39.87	34.89	33.88	41.37	-
Transfer to General Reserve	95.00	105.50	158.03	220.62	172.82	-
Transfer to Settlement Guarantee Fund Reserve	-	-	0.14	1.22	1.13	1.24
Balance carried to balance sheet, as restated	**233.38**	**890.19**	**2,085.91**	**3,830.28**	**5,117.37**	**7,291.30**

The above statement should be read with the Significant Accounting Policies and Notes to Standalone Statement of Assets and Liabilities, Profit and Loss Account and Cash Flows as appearing in Annexure IV.

Annexure III: Standalone statement of cash flow, as restated

(₹ in million)

	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Cash flow from operating activities						
Net profit before tax, as restated (refer note 5 below)	1,267.97	1,353.28	2,115.16	3,229.87	2,454.77	3,119.46
Adjustments for:						
Depreciation / amortisation	89.71	119.94	199.56	247.43	246.59	204.39
Interest expense	6.06	0.19	1.79	0.40	0.20	0.02
Dividend from investments	(245.46)	(208.09)	(260.17)	(142.89)	(319.97)	(305.67)
Depreciation written back	(0.04)	-	-	-	-	-
Brokerage and Commission on sale of investments	-	33.49	-	-	-	-
Diminution in value of investments	-	13.40	72.00	6.32	-	3.42
Employee stock option compensation cost	3.31	3.23	-	-	-	-
Profit on sale of investments (net)	(33.60)	(549.12)	(913.65)	(1,472.58)	(56.27)	(81.61)
Loss on sale of assets or assets scrapped	0.01	0.97	2.84	0.65	13.42	1.38
Advertisement Expenses (service tax set off availed)	-	-	-	5.62	-	-
Interest income	(30.51)	(101.52)	(171.22)	(220.49)	(173.55)	(140.44)
Operating profit before working capital changes	**1,057.45**	**665.77**	**1,046.31**	**1,654.33**	**2,165.19**	**2,800.95**
Adjustments for:						
(Increase)/Decrease in trade and other receivables	(71.74)	(89.11)	(182.49)	(559.90)	(55.57)	118.57
(Decrease)/Increase in trade payables and provisions	479.27	269.52	2,244.78	(1,453.19)	1,135.68	(461.86)
Cash generated from/(used in) operations	**1,464.98**	**846.18**	**3,108.60**	**(358.76)**	**3,245.30**	**2,457.66**
Taxes paid	(305.73)	(221.74)	(255.53)	(553.45)	(545.74)	(820.58)
Net cash generated from/(used in) operating activities	**1159.25**	**624.44**	**2,853.07**	**(912.21)**	**2,699.56**	**1,637.08**
Cash flow from						

	Financial year ended					Nine months ended
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
investing activities						
Additions to fixed assets (refer note 4 below)	(1,039.06)	(268.39)	(757.49)	(96.34)	(312.16)	(187.41)
Deletion / Adjustment to Fixed Assets	1.50	1.93	33.78	9.01	26.54	4.61
Purchase of investments (including fixed deposits placed and share application money)	(39,695.65)	(90,946.26)	(110,907.91)	(99,344.60)	(109,129.34)	(105,388.83)
Redemption / sale of investments (Including fixed deposits)	40,906.65	90,228.18	110,145.33	99,414.85	106,646.40	103,644.96
Brokerage and Commission on sale of investments	-	33.49	-	-	-	-
Dividend from investments	245.46	208.09	260.17	142.89	319.97	305.67
Interest received	20.56	110.26	97.00	233.91	138.75	156.84
Cash (used in) / generated from investing activities	**439.46**	**(632.70)**	**(1,129.12)**	**359.72**	**(2,309.84)**	**(1,464.16)**
Tax Paid	(14.34)	(262.54)	(242.15)	(488.95)	(17.71)	(8.75)
Net Cash (used in) / generated from investing activities	**425.12**	**(895.24)**	**(1,371.27)**	**(129.23)**	**(2,327.55)**	**(1,472.91)**
Cash flow from financing activities						
Proceeds from:						
- Equity share capital	1.19	1.66	15.55	0.03	-	-
- Securities premium	2.13	2.98	212.58	0.05	-	-
Share issue expenses adjusted in Securities Premium Account (Refer note 14 to Annexure IV-II)	-	(43.79)	(63.03)	-	-	-
Dividend paid (including tax thereon)	(1,066.18)	(229.17)	(47.43)	(238.61)	(237.87)	(296.37)
Interest paid	(6.06)	(0.19)	(1.79)	(0. 01)	(0.20)	(0.02)
Net cash generated from / (used in) financing activities	**(1,068.92)**	**(268.51)**	**115.88**	**(238.53)**	**(238.07)**	**(296.39)**
Net cash (outflow) / inflow during the year	**515.45**	**(539.31)**	**1,597.68**	**(1,279.97)**	**133.94**	**(132.22)**
Net increase / (decrease) in cash and	**515.45**	**(539.31)**	**1,597.68**	**(1,279.97)**	**133.94**	**(132.22)**

	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
cash equivalents						
Cash and cash equivalents (opening balance)	190.40	705.85	166.54	1,764.22	484.25	618.19
Cash and cash equivalents (closing balance) (refer note 2 below)	705.85	166.54	1,764.22	484.25	618.19	485.97

1. The statement of cash flow has been prepared under the "Indirect Method" as set out in Accounting Standard 3- Cash Flow Statement as prescribed in Companies (Accounting Standard) Rules, 2006 ('the Rules').

2. Closing balance of Cash and cash equivalents consists of the following:

(₹ in million)

	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Cash and cheques on hand	49.23	7.65	1.35	13.81	2.85	0.08
Bank Balances:						
- in current accounts	51.88	149.79	1,757.47	465.04	608.73	480.19
- in deposit accounts	604.74	9.10	5.40	5.40	6.61	5.70
Cash and cash equivalents	**705.85**	**166.54**	**1,764.22**	**484.25**	**618.19**	**485.97**
- in deposit accounts (maturing more than 3 months)	1,183.68	880.21	2,293.82	2,215.80	2,691.81	1,797.99
Cash and bank balances	**1,889.53**	**1,046.75**	**4,058.04**	**2,700.05**	**3,310.00**	**2,283.96**

3. Fixed Deposits with banks with maturity period of more than three months are classified and grouped in investing activities and not included in cash and cash equivalents.

4. Purchase of fixed assets is stated inclusive of movements of capital work in progress between the commencement and end of the year and is considered as part of investing activities.

5. Net Profit before tax, as restated, is computed as under:

(₹ in million)

	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Net profit before tax as per audited financial statements (A)	1,265.72	1,367.96	2,102.73	3,229.87	2,454.77	3,119.46
Adjustment on account of prior period items: [refer Note 2 to Annexure IV-II]						

	Financial year ended					Nine months ended
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Prior period expenses	-	(12.43)	12.43	-	-	-
Interest on tax	2.25	(2.25)	-	-	-	-
Total of adjustments (B)	**2.25**	**(14.68)**	**12.43**	**-**	**-**	**-**
Net profit before tax, as restated (A+B)	**1,267.97**	**1,353.28**	**2,115.16**	**3,229.87**	**2,454.77**	**3,119.46**

Annexure IV: Significant accounting policies and notes to the summary statements, as restated

I. Significant accounting policies

A. Basis of preparation of financial statements

The financial statements of the Multi Commodity Exchange of India Limited ('the Company' or 'the Exchange') have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards ('AS') prescribed by Companies (Accounting Standard) Rules, 2006 ('the Rules') (to the extent applicable) and in accordance with the generally accepted accounting principles ('GAAP'), the provisions of the Companies Act 1956 ('the Act') and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date ('SEBI ICDR Regulations') to the extent applicable.

B. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying financial statements. Adjustments, if any, are prospectively made.

C. Revenue Recognition

Revenue is recognized on accrual basis and when no significant uncertainty as to measurement and realization exists.

a) Admission Fees (non refundable) collected from new members for joining the commodity exchange are recognized when received and the member is approved.

b) Annual subscription fees (non refundable) are collected from members and is accrued annually.

c) Volume based transaction fees are accrued when orders placed by members on the network are matched and confirmed. Non refundable minimum usage charges which are in excess of appropriation towards volume based transaction fees are accrued quarterly. Fees collected in excess of appropriations are included in 'Income received in advance' under Current liabilities.

d) Revenue from terminal charges is accrued on creation of new chargeable user identification.

e) Revenue from fixed price information technology (IT) enabled service contracts are recognized when the related services are rendered and accepted by the customer in accordance with the terms of the respective contracts.

f) Dividend income is recognised when the right to receive dividend is established by the balance sheet date.

g) Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

h) VSAT connectivity income is accrued over the expected period of providing connectivity service.

i) Insurance claim is recognised on admittance basis.

D. Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on straight-line method at rates prescribed by the Schedule XIV of the Act except for the following assets wherein the assets are depreciated over the estimated useful life of the asset as determined by the management:

Class of asset	Useful life (in months)
Networking equipments (‘VSAT’)	60
Trademark and Copyrights	60
Computer (software)	60

Leasehold improvements are depreciated over the residual period of the lease.

Fixed assets costing less than ₹ 5,000/- are depreciated fully in the year of purchase/acquisition. Depreciation is charged on pro-rata basis in the month of purchase / sale.

E. Intangible Assets

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible Assets are stated at cost of acquisition less accumulated amortization and impairment loss, if any.

F. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

G. Foreign Exchange Transactions

Foreign exchange transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the profit and loss account. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the profit and loss account of the year. Non-monetary items are carried at historical cost using the exchange rates on the date of the transaction

H. Employee Benefits

Gratuity

The Company’s gratuity benefit scheme is a defined benefit plan. The Company‘s net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yield of Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the profit and loss account.

Leave Encashment

Leave pay is actuarially determined based on the employee compensation rates for the eligible unavailed leave balance standing to the credit of the employees at the year end.

Provident Fund

The Company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the profit and loss account.

I. Investments

Purchase and sale of investments is accounted for on trade date. Investments are classified as current or long term in accordance with the investment policy of the management

Investments which are intended to be held for one year or more are classified as long term investments and the investments which are intended to be held for less than one year are classified as current investments.

Long term investments

Long-term investments are carried at cost less any diminution in value other than temporary, determined separately for each individual investment.

*Current Investment*s

Current investments comprising investments in mutual funds are stated at the lower of cost and fair value determined on an individual investment basis.

J. Income taxes

Current tax

Income tax expense comprises the current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and the deferred tax charge or credit reflecting the tax effects of timing differences between accounting income and taxable income for the year.

Deferred tax

The deferred tax charge or credit and the corresponding deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the accounting profits and taxable profits. Deferred tax assets and liabilities are measured using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are only recognised if there is reasonable certainty that they will be realised, except for deferred tax assets in respect of unabsorbed depreciation and carry forward losses, which are recognised only to the extent that there is virtual certainty they will be realised. These assets are reviewed for appropriateness of their carrying value at each balance sheet date.

Fringe benefit tax ('FBT')

Provision for FBT, wherever applicable is made on the taxable value of eligible expenses as prescribed under the Income Tax Act, 1961.

K. Operating Leases

Assets taken on lease under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as expenses on straight line basis in accordance with Accounting Standard 19 –Leases prescribed in the Rules.

L. Stock based compensation

The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e. difference between the market price / fair value of the Company's shares on the date of grant of options and the exercise price to be paid by the option holders.

The compensation cost, if any, is amortised uniformly over the vesting period of the options

M. Share issue expenses

Share issue expenses are written off against securities premium account.

N. Provisions and Contingent Liabilities

A provision is made when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance-sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

O. Earning per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year/period.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also weighted average number of equity shares, which would have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive are included.

II. Notes to the standalone summary statements, as restated:

1. Audit qualifications, as stated in the CARO annexure to the audit opinion for the respective years, which do not require any corrective adjustment in the financial information, are as follows:

i. for financial years ended March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010 and March 31, 2011

- Delay in deposit of certain service tax dues with respect to years ended March 31, 2007 and March 31, 2008.

- In respect of dues which have not been deposited on account of any dispute are:

Nature of the statute	Nature of the dues	Amount ₹ in million	Financial year to which amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	2.06 (reported in audit opinion for the year ended March 31, 2009)	2005-06	Income Tax Appellate Tribunal ('ITAT')
The Income Tax Act, 1961	Income Tax	4.75 (reported in audit opinion for the year ended March 31, 2010)	2005-06	Income Tax Appellate Tribunal ('ITAT')

- In respect of other statutory dues as tabled below being undisputed has been disclosed under current liabilities pending formation of the trust.

(₹ in millions)

Particulars	As at				
	March 31, 2007	March. 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011
Current Liabilities	22	39	53	75	101

ii. for the financial years March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010, and March 31, 2011.

- In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements exceeding the value of ₹ 5 lakh with any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except that in respect of purchase of certain proprietary software's and availment of certain information technology related services and shared services, no comparison of price could be made as these transactions pertain to unique products/ services for Company's specialized requirements and alternative sources are not available for obtaining comparable quotations.

2. Impact of prior period adjustments:-

(₹ in million)

	Financial year ended					Nine months ended
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Net Profit after tax as per audited financial statements (A)	**930.37**	**1,052.71**	**1,580.25**	**2,206.22**	**1,728.23**	**2,202.36**
Adjustment on account of prior period items:						
Prior period adjustments [refer Note a and c below]	-	(12.43)	12.43	-	-	-
Deferred Tax [refer Note c below]	-	4.22	(4.22)	-	-	-
Fringe Benefit Tax	-	-	0.16	(0.16)	-	-
Current Tax [refer Note b below]	1.99	(5.45)	5.45	(1.98)	29.17	(27.19)
Interest on Tax [refer Note d below]	2.25	(2.25)	-	-	-	-
Total of adjustments (B)	**4.24**	**(15.91)**	**13.82**	**(2.14)**	**29.17**	**(27.19)**
Adjusted net profit (A+B)	**934.61**	**1,036.80**	**1,594.07**	**2,204.08**	**1,757.40**	**2,175.17**

Notes:

a. Prior period items have been adjusted in arriving at the profits of the years to which they relate.

b. Short and Excess provision for taxation in respect of earlier years as reported in the standalone audited financial statements for the financial years ended March 31, 2008 and March 31, 2011 have been adjusted in the summary of statement of profits and losses, as restated in the years to which these amounts pertain to.

c. Expense amounting to ₹ 12.43 million was accrued in audited standalone financials for the year ended March 31, 2009 as the event triggering this expense occurred in 2008-2009, but it pertains to year ended March 31, 2008. For the purpose of restated Summary Statements, the same has been adjusted in the year to which it relates with consequent deferred tax adjustment of ₹ 4.22 million on this expense in accordance with AS – 22 - Accounting for taxes on Income as at March 31, 2008 and March 31, 2009.

d. Excess provision for ₹ 2.25 million of Interest on tax made in financial year ended March 31, 2007 was written back in the financial year ended March 31, 2008. The same has been restated above.

3. Contingent liabilities and capital commitments:

(₹ in million)

		As at					December 31, 2011
		March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	22.82	301.72	10.59	0.17	2.71	12.90
b.	Contingent liabilities : i) Other than FMC prescribed penalties recovered from members credited to income, on which the Company continues to	25.95	53.81	79.91	101.85	142.28	181.14

		As at					December 31, 2011
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	
	make representations to FMC on IPF Guidelines						
	ii) Claims against the Company not acknowledged as debts.	-	153.65	2.91	3.22	3.47	6.75
	iii) Bank Guarantee given	0.16	0.16	0.16	0.16	-	-
	iv) Income tax demands against which the Company is in appeal (Including Interest thereon)	-	-	21.39	21.39	21.39	16.95

4. Administration and other operating expenses include:

(₹ in million)

	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Software support charges	79.21	181.78	314.07	382.42	543.08	577.70
Shared Business Support Charges	-	-	112.74	99.33	99.33	19.67
Rent charges	34.84	82.56	72.34	35.49	28.70	16.27
Service charges	10.31	19.98	8.17	1.83	2.65	1.51
Outsourced service charges	-	21.18	16.45	15.93	12.50	12.16
Advertisement expenses (refer note 13 to Annexure IV- II)	76.93	149.01	34.43	80.60	157.24	106.23
Business promotion / development expenses	21.18	24.81	13.97	66.85	21.86	11.11
Sponsorship and Seminar expenses	54.91	27.74	22.44	42.40	60.46	47.58
Travelling and conveyance	30.78	38.60	28.32	16.08	14.59	14.55
Communication expenses	26.01	30.40	34.93	53.67	65.91	54.63
Brokerage and Commission	0.66	34.21	-	0.05	0.00	-
Printing and Stationery	9.87	27.03	5.76	2.58	2.57	1.99
Legal and professional charges	52.10	87.67	66.05	93.56	100.85	95.83
Warehousing Facility Charges	18.00	34.50	99.97	51.37	91.68	15.90
License fees	23.39	63.47	54.17	82.93	107.06	80.85
Contribution to Investor Protection Fund	2.50	2.50	2.50	2.50	2.50	1.88
Repairs and Maintenance – Others	30.44	23.19	14.87	13.41	19.87	24.69
Donations	1.53	2.59	1.25	52.35	49.74	40.25
Compensation Cost – Stock Options	2.12	2.07	-	-	-	-
Electricity	8.56	14.02	32.87	34.18	25.04	13.83
Establishment Expenses	-	-	-	-	-	-
Insurance	9.32	10.39	5.54	4.37	3.34	7.03

	Financial year ended					Nine months ended
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Loss on sale of Assets / Asset scrapped	0.01	0.97	2.85	0.65	13.42	1.38
Provision for diminution in value in investments	-	13.40	72.00	6.32	-	3.42
Provision for Doubtful Debts	1.25	6.89	16.55	27.98	23.78	18.42
Provision for Doubtful Advances	17.80	2.69	11.25	10.72	-	0.02
Exchange Differences (Net)	0.21	0.48	0.04	-	1.32	1.67
FMC filing Fees	0.02	0.02	0.01		-	-
Software Licenses Fees	5.91	16.94	18.07	18.22	17.10	12.52
Membership Fees and Subscriptions	5.70	5.41	6.94	5.48	6.15	5.56
Security Service Charges	3.48	5.99	5.97	5.16	5.63	4.86
Rates and Taxes	-	-	3.34	3.56	3.73	1.44
Audit Fees	1.80	1.80	1.80	1.40	1.40	4.46
Miscellaneous Expenses	11.14	15.8	20.36	28.90	25.50	19.34
Total Administration and other operating expenses	**539.98**	**948.09**	**1,100.02**	**1,240.29**	**1,507.00**	**1,216.75**

5. Segment reporting

Primary Segment

The Company considers business segment (business of facilitating trading in commodities and incidental activities thereto) as its primary segment considering the risks and rewards of the services offered, nature of services, management structure and system of financial reporting. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements.

Secondary Segment

Since the business operations of the Company are concentrated in India, the Company is considered to be operating only in domestic segment and therefore there is no reportable geographical segment.

6. The Company has entered into operating lease agreements for its office premises for a period ranging from 18 to 60 months.

a) The minimum lease rentals on non-cancellable operating leases recognized in the Profit and Loss Account and the future minimum lease payments under non cancellable operating leases are as follows:

(₹ in million)

	Financial year ended					Nine months ended
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Lease rentals	30.53	49.88	49.67	35.49	27.04	14.82
Future minimum lease payments:						

	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Not later than one year	9.34	51.91	9.67	37.55	-	3.58
Later than one year and not later than five years	7.00	13.24	-	100.51	-	-
Later than five years	-	-	-	16.03	-	-

b) Sub-lease amount recognised in profit & loss account.

(₹ in million)

	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Sub-lease	-	8.62	32.41	27.68	28.66	0.82

7. Related party information:

The disclosures regarding related parties as required by Accounting Standard ('AS') 18 "Related Party disclosures" issued by the Companies (Accounting Standards) Rules, 2006 ('the Rules') are as under:

(i) Names of related parties and nature of relationship

(Note: Y signifies existence of relationship.)

Related parties	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Company whose control exists (Holding Company):						
Financial Technologies India Limited(FTIL) (refer Note below)	Y	Upto October 29,2007	-	-	-	-
Company having significant influence over the Company:						
FTIL	-	w.e.f October 30,2007	Y	Y	Y	Y
Subsidiaries:						

Related parties	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
MCX Clearing Corporation Limited ('MCX CCL')	-	-	w.e.f August 1, 2008	Y	Y	Y
MCX Stock Exchange Limited ('MCX-SX')	-	-	w.e.f August 14, 2008	Upto May 20,2009	-	-
MCX SX Clearing Corporation Limited ('MCX SX CCL')	-	-	w.e.f November 1, 2008	Upto May 20, 2009	-	-
SME Exchange of India Ltd ('SME')	-	-	-	-	-	w.e.f September 14, 2010
Associate Companies:						
MCX-SX	-	-	-	Upto March 19, 2010	-	-
MCX SX CCL	-	-	-	w.e.f May 21,2009	Y	Y
Fellow Subsidiaries:						
NBHCL	Y	Upto October 29,2007	-	-	-	-
NSEL	Y	Upto October 29,2007	-	-	-	-
Financial Technologies Middle East DMCC	Y	Upto October 29,2007	-	-	-	-
Ticker Plant Limited (erstwhile Ticker Plant Infovending Limited)	Y	Upto October 29,2007	-	-	-	-
Atom Technologies Limited	Y	Upto October 29,2007	-	-	-	-

Related parties	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Riskcraft Consulting Limited	Y	Upto October 29,2007	-	-	-	-
IBS Forex Limited	Y	Upto October 29,2007	-	-	-	-
Indian Energy Exchange Limited. ('IEEL')	Y	Upto October 29,2007	-	-	-	-
Global Board of Trade Limited. ('GBOT')	Y	Upto October 29,2007	-	-	-	-
Singapore Mercantile Exchange Pte. Limited ('SMX')	Y	Upto October 29,2007	-	-	-	-
Global Payment Networks Limited	-	Upto October 29,2007	-	-	-	-
FT Knowledge Management Company Limited ('FTKMC')	-	From September 7, 2007 to October 29,2007	-	-	-	-

Note: During the year ended March 31, 2008, FTIL, sold its investments in the Company consequent to which its holding reduced from 64.11% as at March 31, 2007 to 37.40% as at March 31, 2008. Accordingly, the Company ceases to be a subsidiary company of FTIL with effect from October 30, 2007. As at December 31, 2011, FTIL holds 31.18% of the share capital of the company.

Related parties	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Jointly Controlled Entities						
Dubai Gold and Commodities Exchange DMCC ('DGCX')	Y	Upto October 29,2007 refer Note 10(a) to annexure	-	-	-	-

Related parties	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
		IV-II				
Safal National Exchange Limited ('SNX')	Y (refer Note 10 (b) to annexure IV-II) w.e.f September 20, 2006	Y	Y	Y	Upto June 25, 2010	-
<u>Key management personnel (KMP)</u>						
Mr. Jignesh P. Shah (Managing Director)	Y	upto March 31,2008	-	-	-	-
Mr. Lamburtes Rutten (Joint Managing Director)	Y	Y	upto November 30,2008	-	-	-
Mr. Lamburtes Rutten (Managing Director and CEO)	-	-	-	w.e.f July 1,2009	Y	Y
Mr. Joseph Massey (Deputy Managing Director)	Y	upto March 31,2008	-	-	-	-
Mr. Joseph Massey (Managing Director and CEO)	-	-	Y	Upto May 31,2009	-	-
Mr. V. Hariharan (Director)	Y	Y	Upto March 31,2009	-	-	-
Others :						
A) Entities over which KMP are able to exercise significant influence						
NBHC	-	w.e.f. October	Y	-	-	-

Related parties	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
		30, 2007				
NSEL	-	w.e.f. October 30, 2007	Y	upto May 31, 2009	-	-
Financial Technologies Middle East DMCC	-	upto March 31,2008	-	-	-	-
Ticker Plant Infovending Limited	-	upto March 31,2008	-	-	-	-
Atom Technologies Ltd	-	upto March 31,2008	-	-	-	-
Riskcraft Consulting Ltd	-	upto March 31,2008	-	-	-	-
IBS Forex Ltd	-	w.e.f. October 30, 2007	Y	-	-	-
Singapore Mercantile Exchange Pte. Ltd ('SMX')	-	w.e.f. October 30, 2007	Y	upto May 31, 2009	-	-
Global Payment Networks Ltd	-	w.e.f. October 30, 2007	Y	-	-	-
FT Knowledge Management Company Ltd ('FTKMC')	-	w.e.f. October 30, 2007	Y	-	-	-
Takshashila Academia Economic Research Limited ('TAER')	-	w.e.f. October 30, 2007	Y	-	-	-
Bourse Africa Ltd	-	w.e.f. October 30, 2007	Y	Y	Y	Y
Credit Market Services Ltd ('CMSL')	-	w.e.f. October 30, 2007	Y	-	-	-
Bahrain Financial Exchange	-	-	-	Y	Y	Y
B) Controlled Employee Welfare Trust						

Related parties	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
MCX ESOP Trust	-	-	w.e.f. May 24, 2008	Y	Y	Y

(ii) Related party transactions and balances with related parties:

(₹ in million)

Sr. No	Nature of Transaction	Financial Technologies (India) Limited					
		Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
A	Purchase of tangible and intangible assets	116.01	47.06	555.09	18.95	254.11	150.00
B	Sales of tangible assets	-	-	31.69	-	19.00	0.12
C	Reimbursements charged to the Company Recoveries charged by the Company	7.38 8.74	6.20 8.03	18.33 26.58	30.89 41.20	22.23 34.28	8.62 -
D	Reimbursement of Cost of leasehold improvements and other assets charged to the Company	0.19	-	-	-	-	-
E	Rent deposit paid during the year/period by the Company Rent deposits refunded during the year/period to the Company. Closing Balance	1.77 - 14.32	- 0.48 13.84	- 13.84 -	- - -	- - -	- - -
F	Rent deposit received	-	0.23	11.68	-	-	-
G	Rent charges	21.51	23.13	11.06	-	-	-
H	Software support charges	79.20	180.28	310.39	377.53	538.09	573.55
I	Shared Business Support charges	-	-	112.74	96.00	96.00	18.00

Sr. No	Nature of Transaction	Financial Technologies (India) Limited					
		Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
J	Repairs and maintenance expenses	19.80	10.80	-	0.92	4.09	1.60
K	Establishment expenses	-	-	-	-	-	-
L	Share issue expenses charged	3.93	10.38	3.16	-	-	11.46
M	Interest charged to the Company	0.40	-	-	-	-	-
N	Dividend paid	601.20	125.25	12.72	63.61	63.61	79.52
O	Shares allotted	-	-	-	-	-	-
P	Sundry creditors	47.78	12.42	113.52	63.34	-	74.96
Q	Software license fees paid	7.55	20.13	13.12	18.10	14.17	7.73
R	Outsourced service charges	-	21.18	16.45	15.80	9.44	8.49
S	Professional charges	7.55	2.05	2.59	5.91	9.48	22.22
T	Service Charges	2.01	4.00	-	-	-	-
U	Unamortised expenses charged to the company	-	-	23.03	2.50	9.49	0.53
V	Miscellaneous Income received	-	1.25	0.15	0.30	0.57	0.25
W	Business promotion expenses	-	-	-	0.17	-	-
X	Rent deposits refunded during the year/period	-	-	-	-	11.91	-

(₹ in million)

Sr. No	Nature of Transaction	Subsidiaries					
		Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
A	Advances given:						
	Balance – Opening	-	-	-	6.06**	-	-
	Given during the year/period	-	-	722.96	59.51**	-	-
	Repaid during the year/period	-	-	702.83	65.57**	-	-
	Balance – Closing	-	-	20.13	-	-	-
B	Investments made during the year/period	-	-	702.00	111.50	-	0.51
	Balance – closing	-	-	702.00	60.00#	60.00	60.51
C	Reimbursements charged to the Company	-	-	0.02	-	-	-
	Recoveries charged by the Company	-	-	32.62	0.06	-	-
D	Rent Income	-	-	17.02	4.00	-	-
E	VSAT Connectivity Income	-	-	0.96	0.37	-	-

** Opening and closing balances of loans and advances, loan and advances given/repaid during the year, in respect of MCX-SX, NSEL and SMX have not been disclosed as they ceased to be related parties as at March 31, 2010.

The Company had during the year invested in 5.2 million equity shares of MCX SX CCL at ₹ 10 per share. MCX SX CCL was a subsidiary till May 20, 2009 and with effect from May 21 2009, MCX SX CCL is an associate. Accordingly as at March 31, 2010, the same has been reclassified from investments in subsidiary to investment in associates.

(₹ in million)

Sr. No	Nature of Transaction	Associate Companies					
		Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
A	Advances given:						
	Balance – Opening	-	-	-	2.11**	0.21	-
	Given during the year/period	-	-	-	27.53**	2.56	0.02
	Repaid during the	-	-	-	29.43**	2.77	0.02

Sr. No	Nature of Transaction	Associate Companies					
		Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
	year/period						
	Closing Balance	-	-	-	0.21**	-	-
B	Investment: Closing Balance	-	-	-	65.00	65.00	65.00
C	Re-imbursements charged to the Company	-	-	-	0.18	-	-
D	Recoveries charged by the Company	-	-	-	59.96	1.92	-
E	Rent Income received during the year/period by the Company	-	-	-	24.22	-	-
F	VSAT Connectivity Income received during the year/period by the Company	-	-	-	2.38	-	-
G	Miscellaneous income received	-	-	-	1.07	-	-
H	Sales of tangible assets	-	-	-	-	0.11	-

** Opening and closing balances of loans and advances, loan and advances given/repaid during the year, in respect of MCX-SX, NSEL and SMX have not been disclosed as they ceased to be related parties as at March 31, 2010.

(₹ in million)

Sr. No	Nature of Transaction	Fellow subsidiaries					
		Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
A	Advances given:						
	Balance – Opening	8.35	4.21	-	-	-	-
	Given during the year/period	80.31	63.46	-	-	-	-
	Repaid during the year/period	84.45	42.66	-	-	-	-
	Closing Balance	4.21	25.01	-	-	-	-
B	Reimbursements	0.69	15.56	-	-	-	-

Sr. No	Nature of Transaction	Fellow subsidiaries					
		Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
	charged to the Company Recoveries charged by the Company	16.96	31.08	-	-	-	-
C	Warehouse Facility Charges	18.00	27.00	-	-	-	-
D	IT Enabled / Software related Services provided to		-				
	GBOT	65.39		-	-	-	-
	SMX	-	59.97	-	-	-	-
E	Data request fees charged	0.32	1.67	-	-	-	-
F	Sundry Debtors (Closing Balance)	45.77	-	-	-	-	-
G	Advance received for services (Closing Balance)	19.23	-	-	-	-	-
H	Fixed assets and net current assets transferred	-	3.70	-	-	-	-
I	Training, Certification and Franchisee fees transferred	-	1.00	-	-	-	-

(₹ in million)

Sr. No	Nature of Transaction	Jointly Controlled Entities					
		Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
A	Advances given:						
	Opening Balance	0.61	3.76	0.04	12.75**	12.79	-
	Given during the year/period	8.40	63.42	9.11	0.04**	0.31	-
	Repaid during the year/period	5.25	67.16	9.08	-	13.10	-
	Provision for doubtful debts debited to Profit	-	-	0.07	-	-	-

Sr. No	Nature of Transaction	Jointly Controlled Entities					
		Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
	and Loss Account						
	Advances Closing Balance	3.76	0.04	0.07	12.79**	-	-
	Provision for doubtful debts	-	-	0.07	-	-	-
B	Investments made during the year/period	3.00	66.00	3.00	-	-	-
	Provision for diminution in value of investments debited to Profit and Loss Account	-	-	72.00	-	-	-
	Investments as at year end/period	46.70	69.00	72.00	72.00	-	-
	Provision for diminution in value of investments as at :	-	-	72.00	72.00	-	-
	Closing Balance	46.70	69.00	-	-	-	-
C	Recoveries charged by the Company	5.55	0.25	0.08	0.04	-	-
D	Share Application Money paid to SNX and outstanding as at year end	2.85	-	-	-	-	-
E	Inter-Corporate Deposits/Advances						
	Opening Balance	-	-	-	12.79	-	-
	Given during the year/period	-	-	12.79	-	-	-
	Repaid during the year/period	-	-	-	-	-	-
	Provision for doubtful advances debited to Profit and Loss Account	-	-	12.79	-	-	-
	Closing Balance	-	-	12.79	12.79	-	-
	Provision for doubtful advances as at year end/period	-	-	12.79	12.79	-	-
F	Interest income on ICD/Loan given	-	-	-	-	-	-

** Opening and closing balances of loans and advances, loan and advances given/repaid during the year, in respect of MCX-SX, NSEL and SMX have not been disclosed as they ceased to be related parties as at March 31, 2010.

(₹ in million)

Sr. No	Nature of Transaction	Others					
		Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
A	Sale of Capital Assets by the company	-	-	2.75	-	-	-
B	Reimbursements charged to the Company	-	-	0.13	-	-	-
C	Recoveries charged by the Company	-	2.79	46.78	4.34	0.48	-
D	Advances given:						
	Opening Balance	-	14.61	26.13	231.99**	185.15	139.55
	Given during the year/period	-	50.35	376.75	13.71**	10.19	5.17
	Repaid during the year/period	-	38.83	151.53	60.55**	55.79	72.14
	Closing Balance	-	26.13	251.35	185.15**	139.55	72.58
E	Rent Deposits received	-	-	8.75	-	-	-
F	Training, Certification and franchisee Fees	-	1.26	-	-	-	-
G	Miscellaneous Income Received	-	0.73	1.02	-	-	-
H	Rent Income received	-	-	8.13	-	-	-
I	Interest Income on Loan given	-	-	10.74	12.07	8.99	3.62
J	Repairs and Maintenance Expenses	-	-	0.08	-	-	-
K	Warehousing Facility Charges	-	7.50	99.97	-	-	-
L	Dividend Paid	-	-	1.30	5.14	3.63	2.33
M	Professional Charges	-	-	8.15	-	-	-
N	Training Fees Charged	-	0.49	2.34	-	-	-
O	Sundry Creditors (Closing Balance)	-	-	50.62	-	-	-

Sr. No	Nature of Transaction	Others					
		Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
	Income received during the year/period by the Company						
Q	Software Support Charges	-	-	1.36	-	-	-

** Opening and closing balances of loans and advances, loan and advances given/repaid during the year, in respect of MCX-SX, NSEL and SMX have not been disclosed as they ceased to be related parties as at March 31, 2010.

(iii) Transactions with Key Managerial Personnel

(a) Other Transactions

(₹ in million)

Sr. No	Nature of Transaction	Key managerial person					
		Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
A	Salaries and Allowances: Lambertus Rutten*	15.54	15.14	9.17	11.98	10.78	13.36
B	Salaries and Allowances: Joseph Massey*	4.89	9.52	14.07	2.37	-	-
C	Dividend paid : Joseph Massey V. Hariharan	 0.01 0.08	 0.01 0.08	 - 0.04	 0.07	 -	 -
D	Lambertus Rutten Rent Charges paid to : Jignesh P. Shah	- 0.40	- 1.20	- -	- -	0.02 -	- -
E	Premises and Other Deposits paid to Jignesh P. Shah	0.60	0.60	-	-	-	-
F	Commission : Jignesh P. Shah	 -	 28.00	 -	 -	 -	 -

* Excludes gratuity and long term compensated absences which are actuarially valued and where separate amounts are not identifiable.

(b) Employee Stock Options (Post consolidation and bonus):

(Number of shares)

Sr. No		Financial year ended (Post Consolidation and bonus)					Nine months ended
		March 31, 2007*	March 31, 2008*	March 31, 2009*	March 31, 2010*	March 31, 2011	December 31, 2011
G	**ESOP 2006**						
	Stock Options given to :						
	Joseph Massey						
	Opening Balance	12,500	10,000	6,250	-	-	-
	Add : Options granted	-	-	-	-	-	-
	Less : Exercised during the year/period	2,500	3,750	6,250	-	-	-
	Closing Balance	10,000	6,250	-	-	-	-
	V.Hariharan						
	Opening Balance	103,532	82,826	51,767	-	-	-
	Add : Options granted	-	-	-	-	-	-
	Less : Exercised during the year/period	20,706	31,059	51,767	-	-	-
	Closing Balance	82,826	51,767	-	-	-	-
H	**ESOP 2008**						
	Stock Options given to :						
	Joseph Massey						
	Opening Balance	-	-	-	18,750	-	-
	Add : Options	-	-	18,750	-	-	-

Sr. No		Financial year ended (Post Consolidation and bonus)					Nine months ended
		March 31, 2007*	**March 31, 2008***	**March 31, 2009***	**March 31, 2010***	**March 31, 2011**	**December 31, 2011**
	granted						
	Less : Exercised during the year/period	-	-	-	5,625	-	-
	Closing Balance	-	-	18,750	13,125	-	-
	V.Hariharan						
	Opening Balance	-	-	-	-	-	-
	Add : Options granted	-	-	437,500	-	-	-
	Less : Exercised during the year/period	-	-	-	-	-	-
	Closing Balance	-	-	437,500	-	-	-
	Lamburtes Rutten						
	Opening Balance	-	-	-	12,500	8,750	5,000
	Add : Options granted	-	-	12,500	-	-	10,000
	Less : Exercised during the year/period	-	-	-	3,750	3,750	5,000
	Closing Balance	-	-	12,500	8750	5,000	10,000

** The figures of financial year ended March 31, 2007, March 31, 2008, March 31, 2009 and March 31, 2010 have been adjusted for the consolidation of two equity shares having nominal face value of ₹5/- per share into one equity share of face value of ₹10/- per share and issue of bonus shares in the proportion of one new bonus share of ₹10 per share for every four existing fully paid-up equity shares of ₹10, both on 14 March 2011, to make them comparable with the figures of the subsequent period.*

(iv) Out of the above items, transactions with related parties the amount of which is in excess of 10% of the total related party transactions of the same type are:

(₹ in million)

Sr. No	Nature of transaction	Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
	SUBSIDIARIES						
A	Investments made in :						
	- NBHC	-	-	-	-	-	-
	- NSEL	-	-	-	-	-	-
	- MCX-SX	-	-	688.50	-	-	-
	- MCX CCL	-	-	-	59.50	-	-
	-SME	-	-	-	-	-	0.51
B	Interest Income from:						
	- NBHC	-	-	-	-	-	-
	- NSEL	-	-	-	-	-	-
C	Recoveries of expenses charged by the Company:						
	- MCX-SX	-	-	30.50	-	-	-
	- MCX CCL	-	-	-			
D	Rent Income received						
	- MCX-SX	-	-	17.02	-	-	-
E	Share application money (net of allotment): - NSEL	-	-	-	-	-	-
F	VSAT Connectivity received from - MCX-SX	-	-	0.96	-	-	-
G	Investments balance as at year end/period -MCXCCL	-	-	-	-	60.00	60.00
	Fellow Subsidiaries						
A	Reimbursement of expenses charged to the Company: - NBHC - NSEL	6.93 9.01	9.11 -	- -	- -	- -	- -
B	Recoveries of expenses charged by the Company:						

Sr. No	Nature of transaction	Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
	- IEEL - NSEL	- -	6.09 8.71	- -	- -	- -	- -

(₹ in million)

Sr. No	Nature of transaction	Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
	Associate Companies						
A	Reimbursement of expenses charged by the company: MCXSX	-	-	-	56.43	-	-
B	Investment made during the year/period MCX SX CCL	-	-	-	52.00	-	-
C	Investment (Closing Balance) MCX SX CCL	-	-	-	65.00	65.00	65.00
D	Miscellaneous income received MCX-SX	-	-	-	1.07	-	-
E	Rent Income received MCX-SX	-	-	-	28.21	-	-
F	VSAT Connectivity received from MCX-SX	-	-	-	2.72	-	-

(₹ in million)

Sr. No	Nature of transaction	Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
	Jointly Controlled Entities						
A	Reimbursement of expenses charged to SNX	5.11	8.82	-	-	-	-
B	Investment made in SNX during the year/period	3.00	66.00	3.00	-	-	-
C	Provision for diminution	-	-	72.00	-	-	-

Sr. No	Nature of transaction	Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
	on investments in SNX during the year/period						
D	Investment in SNX as at the year/period	46.70	69.00	72.00	72.00	-	-
E	Provision for diminution on investment in SNX as at the year/period	-	-	72.00	72.00	-	-
F	Provision for doubtful advances as at the year/period	-	-	12.79	12.79	-	-
G	Interest Income on ICD / Loan given	-	-	-	-	-	-

(₹ in million)

Sr. No	Nature of transaction	Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
	Others						
A	Recoveries of Expenses charged : - NSEL	-	8.71	26.26	-	-	-
	- IEEL	-	6.09	-	-	-	-
	- NBHC	-	-	-			
B	Rent Deposit received from: -NSEL	-	-	8.75	-	-	-
C	Rent Income received during year/period						
	- FTKMC	-	-	3.99	-	-	-
	- CMSL	-	-	4.14	-	-	-
D	Miscellaneous income received from -FTKMC	-	-	1.02	-	-	-
E	Professional Charges to: - TAER - FTKMC	- -	- -	75.00 -	- -	- -	- -
F	Dividend paid to MCX ESOP Trust	-	-	1.30	-	-	-
G	Advances given - MCX ESOP Trust	-	-	-	184.56	139.55	72.37
H	Interest Income on ICD / Loan given	-	-	-	12.07	8.99	3.62

Notes:

1. Related party relationship is as identified by the Company and relied upon by the auditors.

8. Share Capital

(Number of shares)

Equity shares	As at					
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Face Value (₹) [refer note 8(1) to Annexure IV – II]	10	5	5	5	10	10
Authorised:	50,000,000	100,000,000	100,000,000	100,000,000	70,000,000	70,000,000
Issued, subscribed and paid up:	39,075,414	78,482,387	81,591,390	81,597,390	50,998,369	50,998,369
Of the above :						
- Shares held by FTIL	25,050,000	29,353,126	25,445,586	25,445,586	15,903,491	15,903,491
- Shares allotted as fully paid up pursuant to a contract without payments being received in cash	15,000,000	30,000,000	30,000,000	30,000,000	15,000,000	15,000,000
- Shares allotted to employees under ESOP	118,598	568,737	1,077,740	1,083,740	541,870	541,870
- Shares allotted to employees / MCX ESOP Trust under ESOP	-	-	2,600,000	2,600,000	1,300,000	1,300,000
- Bonus Shares	-	-	-	-	10,199,674	10,199,674
Authorised:	500.00	500.00	500.00	500.00	700.00	700.00
Issued, subscribed and paid up:	390.75	392.41	407.96	407.99	509.99	509.99
Of the above :						
- Shares held by FTIL	250.50	146.77	127.23	127.23	159.03	159.03
- Shares allotted as fully paid up pursuant to contract without payments being received in cash	150.00	150.00	150.00	150.00	150.00	150.00
- Shares allotted to employees under ESOP	1.19	2.85	5.39	5.42	5.42	5.42

Equity shares	As at					
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
- Shares allotted to ESOP Trust	-	-	13.00	13.00	13.00	13.00
- Bonus shares	-	-	-	-	101.99	101.99

Note: (1) The shareholders of the Company, at their meeting held on March 14, 2011, approved the consolidation of two equity shares having nominal face value of ₹ 5/- per share into one equity shares of face value of ₹ 10/- per share.

Further, shareholders of the Company, at the above meeting, approved the issue of bonus shares in the proportion of one new bonus share of ₹ 10 per share for every four existing fully paid-up equity shares of ₹ 10. The authorised share capital of the Company was increased to ₹ 700 million during the year ended March 31, 2011.

The above data relating to number of shares and face value disclosed for the years ended March 31, 2007, March 31, 2008, March 31, 2009 and March 31, 2010 is without adjusting for the impact of consolidation and issue of bonus shares as effected during the year ended March 31, 2011.

The earnings per share and other ratios as disclosed in Annexure VI to this report have been computed after adjusting for the consolidation and issue of bonus shares during the year ended March 31, 2011 based on the requirements of Accounting Standard 20 'Earnings per Share'.

9. Current liabilities and provisions comprises of:

(₹ in million)

	As at					
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Current Liabilities	3,700.58	4,825.13**	6,365.51	4,914.00	6,044.69	5,591.40
Provisions	34.81	72.12	269.22	300.22	340.74	238.36
Total	**3,735.39**	**4,897.25**	**6,634.73**	**5,214.22**	**6,385.43**	**5,829.76**

** Includes ₹ 741.39 million being advance consideration received towards sale of 3% of its investment in DGCX.

10. Joint Venture Disclosure:

a. Jointly Controlled Entity by the Company:

Name of the Entity : - Dubai Gold and Commodities Exchange DMCC ('DGCX')

Country of Incorporation : - United Arab Emirates

% Holding : - 10.00%

Interest in the assets, liabilities, income and expenses with respect to Jointly Controlled Entity ('JCE') on the basis of audited financial statements for the year ended December 31, 2006 and financial statements of the JCE audited by other auditors for the period ended December 31, 2005 and translated at period end rate for assets and liabilities and average rate existing during the period for income and expenses:

(₹ in million)

	As at	
	December 31, 2005	December 31, 2006
I. Assets :		
Fixed Assets	26.86	19.02
Current Assets :		
Accounts receivable	0.57	1.72
Bank balance and cash	96.18	138.70
Loans and advances	-	-
II. Liabilities :		
Current liabilities	47.00	82.43
Provision	-	1.12

	From July 19, 2005 to December 31, 2005	For the year ended December 31, 2006
III. Income :		
Admission Fees	47.61	31.93
Transaction Fees	-	-
Interest income	0.53	4.55
Other Income	0.02	0.02
IV. Expenses :		
General and administrative expenses	10.69	29.17
Selling and marketing expenses	5.53	6.28

Note:

No disclosures are being made for the year ended December 31, 2007 onwards, since DGCX ceased to be a joint venture with effect from the financial year 2007-2008 onwards in accordance with Accounting Standard - AS-27, Financial Reporting of Interests in Joint Ventures prescribed in the Rules ('AS 27').

b. Jointly Controlled Entity by the Company:

Name of the Entity : - Safal National Exchange of India Limited

Country of Incorporation : - India

Date of Incorporation : - September 20, 2006

% Holding : - 30.00%

Interest in the assets, liabilities, income and expenses in the JCE on the basis of audited financial statements for the year ended March 31, 2007 and March 31, 2008:

(₹ in million)

	As at	
	March 31, 2007	March 31, 2008

	As at	
	March 31, 2007	March 31, 2008
I. Assets		
1. Fixed Assets (including Capital Work in Progress)	6.23	40.70
2. Incidental expenditure during construction	4.80	-
3. Current Assets		
a) Cash and Bank Balances	10.67	12.17
b) Loans and Advances	0.77	1.67
II. Liabilities		
Current Liabilities and Provisions	0.78	14.29
III. Debit Balance in P&L A/C		
IV. Miscellaneous Expenditure to the extent not written off or adjusted	-	28.76
Preliminary expenses	0.54	-

	Financial year ended	
	March 31, 2007	March 31, 2008
V. Income		
i. Transaction Fees	-	0.63
ii. Admission and Processing Fees	-	7.68
iii. Other Income	-	0.84
VI. Expenses		
i. Operating and Other expenses	-	25.54
ii. Depreciation & amortisation	-	12.36

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 19.54 million as at March 31, 2007, ₹ 0.56 million as at March 31, 2008.

As at March 31, 2009, Safal National Exchange of India Limited (SNX) had ceased operations. The financial statements as on March 31, 2009 and March 31, 2010 are not available. The Company has accounted for its investment in SNX of ₹ 72 million under Accounting Standard 13 'Accounting for Investments' and has fully provided for diminution in value being other than temporary and for advances due from SNX based on its assessment of net realizable values of SNX's assets and liabilities.

During the year ended March 31, 2011, the Company entered into a settlement agreement with Mother Dairy Fruit & Vegetable Private Limited ('MDFVL') for mutual termination of the joint venture company SNX, transfer of shares to MDFVL and settlement of advances recoverable from SNX. Accordingly necessary accounting adjustments have been made in the year ended March 31, 2011.

11. Stock based compensation

a. On January 16, 2006, the Company granted 1,300,000 stock options to its employees and directors and the employees and directors of Financial Technologies of (India) Limited, under an 'Employee Stock Option Plan' (ESOP 2006). Each stock option entitles the holder to one equity share of ₹ 5/- each. The outstanding options are fully vested as of March 31, 2008. The exercise period for vested options was upto January 16, 2010.

b. During the year ended March 31, 2008, the Company, based on shareholders' approval, advanced the third vesting period for 50% of the options granted under ESOP 2006, from thirty six months from grant date to twenty six months from grant date (i.e. on March 15, 2008). The Company has accordingly accounted for compensation cost based on the said revision during the year based on actual number of options vested.

c. During the year ended March 31 2009, the shareholders of the Company approved the 'Employee Stock Options Plan 2008 ('ESOP – 2008'). Under the said scheme, 2,600,000 (1,625,000 Equity Shares of ₹10/- each post consolidation and bonus) equity shares were allotted to MCX ESOP Trust who administer the ESOP Scheme on behalf of the Company. MCX ESOP Trust has granted (a) 2,101,200 (1,313,250 Equity Shares of ₹10/- each post consolidation and bonus) numbers of options convertible into 2,101,200 equity shares of ₹ 5 each to eligible employees on 02 July 2008 and 23 August 2008 in aggregate; and (b) 331,750 (including the lapsed options available for reissuance) numbers of options convertible into 331,750 equity shares of ₹ 10 each to eligible employees on 24 October 2011. Details of the Options granted by the MCX ESOP Trust is as under :

(i) Options granted up to March 14, 2011Pre-consolidation and issue of bonus shares-

Grant Date	No. of Options granted	Exercise Price	Vesting period
July 2, 2008	626,760	₹ 90	July 2, 2008 to July 2, 2009
	626,760	₹ 90	July 2, 2008 to July 2, 2010
	835,680	₹ 90	July 2, 2008 to July 2, 2011
August 23, 2008	3,600	₹ 90	August 23, 2008 to August 23, 2009
	3,600	₹ 90	August 23, 2008 to August 23, 2010
	4,800	₹ 90	August 23, 2008 to August 23, 2011

(ii) Options granted up to March 14, 2011 as adjusted for consolidation and issue of bonus shares equivalent-

Grant Date	No. of Options granted	Exercise Price	Vesting period
July 02, 2008	391,725	₹ 144	July 2, 2008 to July 2, 2009
	391,725	₹ 144	July 2, 2008 to July 2, 2010
	522,300	₹ 144	July 2, 2008 to July 2, 2011
August 23, 2008	2,250	₹ 144	August 23, 2008 to August 23, 2009
	2,250	₹ 144	August 23, 2008 to August 23, 2010
	3,000	₹ 144	August 23, 2008 to August 23, 2011

Options granted after March 14, 2011 Post consolidation and issue of bonus shares:

Grant Date	No. of Options granted	Exercise Price	Vesting period
October 24, 2011	99,525	₹ 390	October 24, 2011 to October 24, 2012
	99,525	₹ 390	October 24, 2011 to October 24, 2013
	132,700	₹ 390	October 24, 2011 to October 24, 2014

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of ₹ 10 each. Exercise period for each option granted on 02 July 2008 and 23 August 2008 is three years from the date of their respective vesting. Exercise period for each option granted on 24 October 2011 is one year from the date of their respective vesting.

The intrinsic value per option for ESOP 2006 and ESOP 2008 is ₹ 6.50 and ₹ Nil respectively. The estimated fair value per option for ESOP 2006 is ₹ 6.90 and for ESOP 2008 is ₹ 15.64 for options granted on July 2, 2008 and ₹ 16.62 for options granted on August 23, 2008. The Fair values have been determined using the Binomial Option Pricing Model considering the following parameters -

	ESOP 2006	ESOP 2008	
	January 16, 2006	July 2, 2008	August 23, 2008
(i) Fair Value of share at grant date	₹ 20.50	₹ 85	₹ 85
(ii) Exercise price	₹ 14.00	₹ 90	₹ 90
(iii) Expected volatility	0%	1%	1%
(iv) Option Life	3 Years	3.5 Years	3.5 Years
(v) Expected Dividends	10%	25%	25%
(vi) Risk free interest rate	6.5%	9.14%	9.13%

To allow for the effects of early exercise, it is assumed that the employee would exercise the options after vesting date.

Each option granted, at the time of grant of options, represents a right to the option grantee but not an obligation to apply for 1 fully paid up equity share of ₹5/- each of the Company at pre-determined exercise price i.e. ₹90/- . Due to corporate action on 14 March 2011 for consolidation of 2 fully paid up equity shares of ₹5/- each into 1 fully paid up equity share of ₹10/- each and issue of bonus equity shares in the ratio of 1 equity share for every 4 equity shares held, each of the outstanding options now represent a right to the option grantee to apply for 1 fully paid up equity share of ₹10/- each of the Company at duly adjusted exercise price i.e. ₹144/- pursuant to the said corporate action.

The intrinsic value per option for ESOP 2008 is ₹ Nil. The estimated fair value per option for ESOP 2008 is ₹ 324.99 for options granted on 24 October 2011.The Fair values have been determined using the Black Scholes Formula considering the following parameters :-

	ESOP 2008
	October 24, 2011
(i) Fair Value of share at grant date	₹ 385
(ii) Exercise price	₹ 390
(iii) Expected volatility	2.26%
(iv) Option Life	3 Years
(v) Expected Dividends	Not Considered
(vi) Risk free interest rate	8.60%
(vii) To allow for the effects of early exercise, it is assumed that the employee would exercise the options after vesting date.	

d. The volatility has been taken as 0% since the enterprise is an unlisted company and no similar enterprise is listed on any stock exchange in India.

e. The particulars of number of options granted and lapsed under the ESOP 2006 Scheme Pre consolidation and issue of bonus shares in respect of options granted up to March 31, 2010 are tabulated below:

Particular	**Number Of Options (Pre Consolidation and bonus) As at**			
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**
Outstanding at start of year/period	1,300,000	937,802	550,103	37,100
Granted during the year/period	-	-	-	-
Forfeited during the year/period	125,020	56,140	4,000	31,100
Exercised during the year/period	237,178	331,559	509,003	6,000
Outstanding at end of year/period	937,802	550,103	37,100	-
Exercisable / vested at end of year/period	1,880	550,103	37,100	-
Expense arising from stock option plan during the year/period (₹ million).	3.31	3.23	-	-

The particulars of number of options granted and lapsed under the ESOP 2006 Scheme as adjusted for consolidation and issue of bonus shares in respect of options granted up to March 31, 2010 are tabulated below:

Particular	**Number Of Options (Equivalent Post Consolidation and bonus) As at**			
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**
Outstanding at start of year/period	812,500	586,127	343,815	23,188
Granted during the year/period	-	-	-	-
Forfeited during the year/period	78,138	35,088	2,500	19,438
Exercised during the year/period	148,237	207,225	318,127	3,750
Outstanding at end of year/period	586,127	343,815	23,188	-
Exercisable / vested at end of year/period	1,175	343,815	23,188	-
Expense arising from stock option plan during the year/period (₹ million).	3.31	3.23	-	-

f. The particulars of number of options granted and lapsed under the ESOP 2008 Scheme and issue of bonus shares in respect of options granted up to March 31, 2010 are tabulated below:

Particular	**Number Of Options (Pre consolidation and bonus) As at**			
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**
Outstanding at start of year/period	-	-	-	2,007,050
Granted during the year/period	-	-	2,101,200	-

Particular	Number Of Options (Pre consolidation and bonus) As at			
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010
Forfeited during the year/period	-	-	94,150	43,090
Exercised during the year/period	-	-	-	587,300
Outstanding at end of year/period	-	-	2,007,050	1,376,660
Exercisable / vested at end of year/period	-	-	-	9,350

The particulars of number of options granted and lapsed under the ESOP 2008 Scheme as adjusted for consolidation and issue of bonus shares in respect of options granted up to March 31, 2010 are tabulated below:

Particular	Number Of Options (Post consolidation and bonus*) As at			
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010
Outstanding at start of year/period	-	-	-	1,254,407
Granted during the year/period	-	-	1,313,250	-
Forfeited during the year/period	-	-	58,843	26,931
Exercised during the year/period	-	-	-	367,062
Outstanding at end of year/period	-	-	1,254,407	860,414
Exercisable/vested at end of year/period	-	-	-	5,843

g. The particulars of number of options granted and lapsed under the ESOP 2008 Scheme in respect of options granted after March 31, 2010 are tabulated below:

Particular	Number Of Options (Post consolidation and bonus*) As at	
	March 31, 2011	December 31, 2011
Outstanding at start of year/period	860,414	483,380
Granted during the year/period	-	331,750
Forfeited during the year/period	18,003	9,712
Exercised during the year/period	359,015	467,477
Outstanding at end of year/period	483,380**	337,941
Exercisable / vested at end of year/period	8,524***	12,441

All the grants have taken place post March 14, 2011. The balances and movements prior to March 15, 2011 in the above table are adjusted for the consolidation and issue of bonus shares on March 14, 2011.

* Fractional options / shares arising out of consolidation and bonus have been adjusted accordingly.

** Fractional options outstanding arising out of consolidation and bonus at the end of the year has been ignored after making necessary adjustments in the options outstanding.

*** Fractional options exercisable / vested arising out of consolidation and bonus at the end of the year have been ignored after making necessary adjustments in the options exercisable / vested.

The shareholders of the Company approved the re-issuance of lapsed options granted under the ESOP 2006 and ESOP 2008 Scheme to eligible employees and directors of the Company at such price and in such manner as the Board of Directors and the Compensation committee may deem fit. Details of lapsed option available for re-issuance are as follows:

Lapsed Option available for reissuance (Post consolidation and bonus)						
Particulars	**As at**					
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
ESOP 2006	78,138	113,225	115,725	135,163	-	-
ESOP 2008	-	-	58,843	85,775	103,799	93,503

The lapse prior to March 15, 2011 included in the above table are as adjusted for consolidation and issue of bonus shares.

The impact on the profit after tax of the Company using the Fair Value Method as per the Guidance Note on 'Accounting for employee share based payments' is as follows:

(₹ in million)

March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
0.20	0.45	7.70	5.38	2.46	10.36

The above data relating to value disclosed after considering the impact of consolidation and bonus.

However, considering the negligible impact on the profit for the year, EPS – Basic & Diluted, on two decimal places remains the same.

12. On March 31, 2011, the Company filed its Draft Red Herring Prospectus with the Securities and Exchange Board of India in respect of its proposed public offer consisting of Offer for Sale of 6,427,378 equity shares of ₹ 10 each by Financial Technologies (India) Limited, State Bank of India (Equity), GLG Financials Fund, Alexandra Mauritius Limited, Corporation Bank, Bank of Baroda and ICICI Lombard General Insurance Company Limited (together, 'the Selling Shareholders') at a price to be determined in accordance with the book building process.

13. The Company, in view of its proposed issue expected during the latter part of the year ended March 31, 2007, incurred an amount of ₹ 15.56 million towards advertisement and sponsorship of certain television programmes aired by certain business and news channels towards creating corporate visibility and awareness to potential investors. However due to unfavourable market conditions the issue was postponed.

14. In February 2008, the Company had filed its DRHP with SEBI in respect of its proposed public issue (the 'Issue') of 10 million equity shares of ₹ 5 each for cash consisting of fresh issue of 6 million equity shares by the Company and an Offer for Sale of 4 million equity shares by FTIL and Corporation Bank (together, 'the selling shareholders') at a price to be determined in accordance with the book building process. However, due to the global meltdown creating unfavourable market conditions, the issue was postponed. The expenses incurred on the said proposed public issue are charged to Securities Premium Account.

15. Company does not treat member's margin and income thereon as a part of Settlement Guarantee Fund ('SGF') as contemplated under FMC guidelines of SGF issued in 2006 and therefore credits the said income (amount unascertained) to profit and loss account. Representations have been made to FMC and response is awaited.

16. The Company, with a view to focus on core exchange operations, transferred its training, consultation and certification related activities (refer Annexure IX) to a group company to disseminate knowledge on commodity and financial markets. Accordingly, the Company transferred the related fixed assets aggregating ₹ 3.29 million and net current assets aggregating ₹ 0.41 million, at book values, to such company during the year ended March 31, 2008. The Company would get royalty on such business carried on by the group company.

17. The Company's ESOP is administered through an ESOP Trust, which subscribes to shares of the Company and holds them until issuance thereof based on vesting and exercise of options by employees. At the time of formation of the trust, the Company has provided an interest bearing loan amounting to ₹ 221 million to the Trust to subscribe to 2,600,000 equity shares issued at ₹ 85 per share. As per the Guidance Note on Accounting for Employee Share Based payments issued by the Institute of Chartered Accountants of India, the amount of loan equivalent to the face value of securities subscribed [₹ 13 million] has been deducted from share capital account and the balance part of the loan representing the amount of share premium paid for the securities subscribed [₹ 208 million] has been deducted from the share premium account.

The closing balance of such loan is as follows:

(₹ in million)

Particulars	**As at**					
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Loan amount						
- Principal Outstanding	-	-	221.00	165.29	111.30	40.49
Interest Accrued but not due	-	-	10.74	19.27	28.26	31.88
Total	**-**	**-**	**231.74**	**184.56**	**139.56**	**72.37**
Principal Outstanding relating to						
- Share Capital	-	-	13.00	9.72	6.55	2.38
- Securities Premium	-	-	208.00	155.57	104.75	38.11
Total	**-**	**-**	**221.00**	**165.29**	**111.30**	**40.49**

18. **Fixed deposits under lien**

(₹ in million)

	As at					
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Fixed deposits under lien with banks for overdraft facilities and bank guarantee	268.08	708.22	1,237.50	618.78	1,621.26	1,492.56

19. **MCX-SX capital reduction and issue of warrants to the Company:**

(a) The Company reduced its stake in MCX Stock Exchange Limited ('MCX-SX') from 51% as at March 31, 2009 to 5% as at March 31, 2010 in order to comply with regulatory requirement as per the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognized Stock Exchanges) Regulations, 2006. As at March 31, 2010, MCX-SX ceases to be a subsidiary of the Company. Further as at March 31, 2009 considering temporary holding, the same had been considered as long term investment as required under Accounting Standard – 13, Accounting for Investments, in view of the same not being readily realizable.

(b) Consequent to capital reduction and issue of warrants to MCX against its holding of equity shares of face value of ₹ 617,135,000 in MCX-SX, in compliance with a Court sanctioned scheme in March, 2010, the Company, based on counsels' opinion continues with its stand of no tax liability arising consequent to the same and therefore no tax liability has been determined or recognised in the financial statements.

(c) The Company has investments aggregating ₹ 1,310.71 million in equity shares and warrants of MCX Stock exchange Limited (MCX-SX). The business of MCX-SX has commenced and it has a positive net worth as at December 31, 2011. The Company believes that the business of MCX-SX would be more profitable when it receives SEBI's permission for its proposed activities of dealing in interest rate derivatives, equity, futures and options on equity and wholesale debt segments and all other segments which is pending. These investments are, in the opinion of the management, considered to be good and valuable, and not due for any provisioning.

20. During the year ended March 31, 2007, consequent to Accounting Standard 15 (Revised) 'Employee Benefits' (AS-15), read with recent guidance on implementation of AS-15, effective from April 1, 2007 and adopted earlier, the Company has reviewed and revised accounting policy in respect of employee benefits. In accordance with the transitional provision contained in the AS-15, the net difference of ₹ 0.94 million between the liability in respect of gratuity and leave encashment existing on the date of adoption and the liability that would have been recognised at the same date under the previous accounting policy, net of deferred tax of ₹ 0.32 million was adjusted against the balance in the general reserve as at April 1, 2006.

Annexure V: Statement of dividends paid

(₹ in million)

	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Equity share capital	390.75	392.41	407.96	407.99	509.99	509.99
Rate (%) of dividend *	220 %	60 %	50%	50%	50%	-
Amount of dividend	857.64	234.62	205.29	203.99	254.99	-
Amount of corporate dividend tax	120.28	39.87	34.89	33.88	41.37	-

* Rate of dividend is the rate declared by the Company for the year.

Annexure VI: Statement of accounting ratios, as restated

(₹ in million)

		As at / for the year/period ended					
		March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Net profit, as restated	A	934.61	1,036.80	1,594.07	2,204.08	1,757.40	2,175.17
Equity shares outstanding at the year end (Number)	B	48,844,267	49,051,492	50,994,619	50,998,369	50,998,369	50,998,369
Weighted average number of equity shares for basic earning per share (Number)	C	48,699,686	48,848,797	50,267,774	50,996,264	50,998,369	50,998,369
Add: Potential dilutive number of equity shares : - Share application money (Number)		-	-	-	-	-	-
- Outstanding ESOPs (Number)		497,415	174,906	258,706	14,547	-	-
Weighted average number of equity shares for diluted earnings per share (Number)	D	49,197,101	49,023,703	50,526,480	51,010,811	50,998,369	50,998,369
Networth	**E**	**2,918.81**	**3,586.99**	**4,942.20**	**6,969.83**	**8,484.87**	**10,730.84**
Ratios:							
Basic Earning Per Share (₹)	A/C	19.19	21.22	31.71	43.22	34.46	42.65
Diluted Earning Per Share (₹)	A/D	19.00	21.15	31.55	43.21	34.46	42.65
Net Asset Value Per Share (₹)	E/B	59.76	73.13	96.92	136.67	166.38	210.42
Return on Net Worth (%.)	A/E	32.02	28.90	32.25	31.62	20.71	20.27

Notes:

1) Ratios have been computed on the basis of restated summary statements for the respective years/period and are not annualised for the period ended December 31, 2011.

2) The number of shares, earnings per share and other ratios for all the years/periods as disclosed above have been computed after adjusting for the consolidation of shares and issue of bonus shares during the year ended March 31, 2011 based on the requirements of Accounting Standard 20 'Earnings per Share'.

Annexure VII: Tax shelter statement, as restated

(₹ in million)

	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011
Net Profit before tax as restated (refer table below)	1,267.97	1,353.28	2,115.16	3,229.87	2454.77
Tax rate % (including surcharge and cess)	33.66	33.99	33.99	33.99	33.22
Tax at notional rate(A)	**426.80**	**459.98**	**718.94**	**1,097.83**	**815.42**
Adjustments :					
Permanent Differences :					
Dividend from investments in mutual funds & shares	(245.46)	(208.09)	(260.17)	(142.89)	(319.97)
Expenses disallowed	9.29	17.24	69.28	28.87	46.04
Profit from tax exempt STPI Unit (refer note 2 below)	(45.26)	(45.61)	6.55	-	-
Capital Gain on Sale of Units of investments in Mutual Fund / Shares	(16.54)	(235.20)	(412.30)	(117.51)	(52.50)
Interest income on IPF not credited to Profit and Loss Account	-	-	-	5.55	5.98
Total	**(297.97)**	**(471.66)**	**(596.64)**	**(225.98)**	**(320.45)**
Timing Differences :					
Depreciation	(25.30)	(0.84)	(226.35)	(98.19)	(34.75)
Gratuity and leave encashment	10.36	6.48	0.06	1.46	4.97
Preliminary expenses	(0.18)	(0.18)	-	-	-
Net expenses allowable / (disallowed) under section 40(a) of the Income Tax Act, 1961	(18.49)	12.42	(17.85)	(0.50)	5.85
Provision for Doubtful Debts and Advances	19.05	(8.22)	26.93	38.70	23.78
Provision for diminution in the value of current investments	-	13.40	52.37	6.32	-
Expenses incurred towards investments to be sold.	-	22.33	(21.94)	-	-
Others	-	-	-	3.00	(16.38)
Total	**(14.56)**	**45.39**	**(186.78)**	**(49.21)**	**(16.53)**
Net Adjustments (B)	**(312.53)**	**(426.27)**	**(783.42)**	**(275.18)**	**(336.98)**
Tax saving thereon (C) [B * Tax rate %]	**(105.20)**	**(144.88)**	**(266.29)**	**(93.54)**	**(111.92)**
Tax on Restated Profits (A+C)	321.60	315.10	452.65	1,004.30	703.50
Prior period tax (refer 2(b) to Annexure IV-II)	(1.99)	5.45	(5.45)	1.98	(1.98)
Deferred tax (asset)/liability	5.98	(11.21)	63.15	19.08	20.83
Total Provision for tax	**325.59**	**309.34**	**510.35**	**1,025.36**	**726.31**

Note:

Net Profit before tax as restated is computed as below:

(₹. in million)

Particulars	Financial year ended				
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**
Net Profit before tax as per audited financial statements (A)	**1,265.72**	**1,367.96**	**2,102.73**	**3,229.87**	**2,454.77**
Adjustment on account of prior period items: [refer Note 2 to Annexure IV-II]*					
Prior period expenses	-	(12.43)	12.43	-	-
Employee benefits	-	-	-	-	-
Interest on tax written back	2.25	(2.25)	-	-	-
Total of adjustments (B)	**2.25**	**(14.68)**	**12.43**	**-**	**-**
Net Profit before tax as restated (A+B)	**1,267.97**	**1,353.28**	**2,115.16**	**3,229.87**	**2,454.77**

* Adjustments only prior to tax incidence has been considered above.

1. As per audited standalone financial statements of the Company.
2. The Company had applied for and obtained in principal approval for exit from the STPI vide letter Ref:STPI/MUM/VIII(A)(1219)/2005(07)/(SKA)/ dated April 8, 2009.

Annexure VIII: Capitalisation statement, as restated

(₹ in million)

Particulars	As at December 31, 2011
Short term borrowings	-
Long term borrowings	-
Total debt	**-**
Shareholders' Funds	
1. Share capital	509.99
2. Reserves and surplus: - Securities Premium account - General Reserve	 2,168.42 782.91
- Settlement Guarantee Fund	18.71
- Profit and loss account	7,291.30
3. Amount recoverable from MCX ESOP Trust (refer Note 17 to Annexure IV-II)	(40.49)
Total Shareholders' Funds (Equity)	**10,730.84**
Long Term Debt / Equity ratio	N.A.
Total Debt /Equity	N.A.

The Company is proposing to have an initial public offering through Offer for Sale, hence there will be no change in Shareholders Funds Post Issue.

Annexure IX: Statement of Other Income, as restated

(₹ in million)

Particulars	Financial year ended					Nine months ended
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Dividend from investments						
- Current	241.43	208.09	260.17	142.89	319.97	305.67
- Long term	4.03	-	-	-	-	-
Interest on bank deposits	30.37	101.14	149.99	207.92	163.33	136.15
Interest on Loan to MCX ESOP Trust	-	-	10.74	12.07	8.99	3.62
Interest on Income Tax Refund	-	-	10.12	-	-	-
Interest others	0.14	0.38	0.37	0.50	1.23	0.67
VSAT Connectivity Income (refer Note 2 below)	27.20	38.21	68.22	62.74	40.95	30.63
Profit on sale of investments (net)						
- Current investments	8.15	9.78	24.44	2.60	3.19	5.13
- Long term (refer Note 1b and 1c below)	25.45	539.34	889.21	1,469.98	53.08	76.48
Penalties from members (Also refer note 3(b) (i) to Annexure IV-II)	31.01	32.12	29.43	25.97	48.67	45.84
Other recoveries from members (net)	6.69	3.76	31.45	43.25	22.81	26.16
Rental Income	-	-	25.15	44.32	40.20	29.42
Training and Certification Fees (refer Note 1a below)	14.94	7.97	0.31	-	-	-
Miscellaneous income	18.11	44.09	34.36	49.43	81.53	58.69
Provision for doubtful advances and excess provision for expenses written back since no longer required. (refer note 3 below)	-	20.05	-	-	-	0.18
Total other income	**407.52**	**1004.93**	**1533.96**	**2,061.67**	**783.95**	**718.64**

Notes:

1. Other income primarily consists of items of recurring nature and from normal business activity except:
    a) Training and Certification fees (refer note 16 of Annexure IV-II)
    b) Profit on sale of equity shares of DGCX amounting to ₹ 461.93 million and ₹ 727.89 million for the year ended March 31, 2008 and March 31, 2009 respectively.
    c) Profit on sale of equity shares of MCX-SX amounting to ₹ 1,369.12 million for the year ended March 31, 2010.
2. The Company receives non-refundable deposits from members for networking equipment ('VSAT') installed at the members' locations. Members can surrender VSATs to the Company or to other members subject to certain conditions. The Company amortizes the deposit received by credit to revenue over the period of depreciation on VSAT equipment i.e. sixty months. Accordingly, the Company has appropriated the amounts (as stated below) from the deposits and included the same under other income.

(₹ in million)

		Financial year ended					Nine months ended
		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
a.	Aggregate amount received from members towards deposits (non-refundable) for VSAT and outstanding at the year end net of appropriation	78.90	62.63	40.52	26.41	14.51	9.76
b.	Appropriation from the deposits for the year and included in other income under the head VSAT Connectivity Income.	27.20	35.29	31.47	26.00	19.04	8.43

3. Includes excess provision for service tax written back of ₹17.8 million. Service tax was not applicable on the operating revenue of the Company until May 16, 2008. Hence, the management provided for the accumulated service tax credit as at March 31, 2007 amounting to ₹ 17.8 million. Subsequently during the year ended March 31, 2008, service tax was applicable with effect from May 16, 2008 and accordingly, the Company wrote back the provision earlier made of ₹ 17.8 million.

Annexure X: Statement of sundry debtors and loans and advances, as restated.

(A) Statement of sundry debtors, as restated

(₹ in million)

Particulars	As at					
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Outstanding for a period exceeding six months	1.25	9.25	38.68	51.33	110.54	158.81
Others	165.27	146.91	254.96	305.14	454.58	430.08
	166.52	**156.16**	**293.64**	**356.47**	**565.12**	**588.89**
Less: Provision for doubtful debts	1.25	8.14	24.69	52.66	76.44	94.86
Total sundry debtors	**165.27**	**148.02**	**268.95**	**303.81**	**488.68**	**494.03**

* None of the above sundry debtors are related to promoters, directors of the company.

(₹ in million)

Particulars	As at					
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Considered good	165.27	148.02	268.95	303.81	488.68	494.03
Considered doubtful	1.25	8.14	24.69	52.66	76.44	94.86
Total sundry debtors	**166.52**	**156.16**	**293.64**	**356.47**	**565.12**	**588.89**
Secured Debtors (refer note 1 to Annexure X)	115.61	146.94	264.10	266.01	390.01	388.17

(B) Statement of loans and advances, as restated

(₹ in million)

Particulars	As at					
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
Advances recoverable in cash or kind or for value to be received	128.94	371.61	195.24	812.84	757.70	717.22
Advance to Subsidiaries	-	-	20.13	-	-	-
Advance tax paid including tax deducted at source (net of provision)	0.52	136.44	183.57	252.28	116.25	233.64
Premises and other deposits	46.07	76.18	72.62	66.61	23.13	10.52
	175.53	**584.23**	**471.56**	**1,131.73**	**897.08**	**961.38**
Less: Provision	17.80	2.69	13.07	23.79	0.47	0.50
Total loans and advances	**157.73**	**581.54**	**458.49**	**1,107.94**	**896.61**	**960.88**
Loans & Advances to Group Cos Atom Technologies Limited	0.17	1.64	-	-	-	-
Bahrain Financial Exchange	-	-	-	0.54	-	-
Bourse Africa Ltd.	-	-	0.25	0.05	-	0.21
CMSL	-	-	3.73	-	-	-
DGCX	0.63	-	-	0.03	-	-
FTKMC	-	5.15	2.28	-	-	0.66
Financial Technologies Middle East	-	-	-	-	-	-

Particulars	As at					
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
DMCC						
Global Payments Networks Limited.	-	0.44	0.01	-	-	-
GBOT	-	-	-	0.03	-	-
IBS Forex Limited	-	0.01	-	-	-	-
IEEL	0.10	0.88	2.78	1.17	-	-
Indian Bullion Market Ltd.	-	-	-	-	-	-
MCX CCL	-	-	6.06	-	-	-
MCX-SX	-	-	12.63	9.60	-	-
MCX SX CCL	-	-	1.44	0.21	-	-
NBHC	1.64	3.12	-	-	-	9.71
NSEL	2.17	17.41	5.22	3.95	-	0.96
Riskcraft Consulting Ltd.	0.17	0.01	0.02	-	-	-
SMX	-	-	0.76	1.33	-	0.44
SNX	0.29	0.04	12.75	12.79	-	-
TAER	-	-	7.31	-	-	0.02
Tickerplant Infovending Limited	0.27	1.75	3.86	5.43	-	-
Loans & Advances to Group Cos	**5.44**	**30.45**	**59.10**	**35.13**	**-**	**12.00**
Other Loans and Advances (refer note 2 below)	170.09	553.78	412.46	1,096.60	897.08	949.38
Total	**175.53**	**584.23**	**471.56**	**1,131.73**	**897.08**	**961.38**

(₹ in million)

Particulars	As at					
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Considered good	157.73	581.54	458.49	1,107.94	896.61	960.88
Considered doubtful	17.80	2.69	13.07	23.79	0.47	0.50
Total loans and advances	**175.53**	**584.23**	**471.56**	**1,131.73**	**897.08**	**961.38**
Secured advances (refer note 1 below)	0.83	-	0.36	0.41	12.85	20.43

Notes:

1. Secured by cash margins /bank guarantees /fixed deposit receipts and hypothecation of movables such as commodities, securities etc. from members and balance are unsecured.
2. Other Loans and advances includes.

(₹ in million)

Particulars	As at					
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Advances to the Director of the Company	-	-	-	-	-	-

Particulars	**As at**					
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**December 31, 2011**
(Maximum balance outstanding during the year)						
Leased Premises Deposit to Director	0.60	0.60	0.60	0.60	0.60	0.60

Annexure XI: Statement of investments, as restated

(₹ in million)

Particulars	March 31,2007	March 31,2008	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Long Term : (unquoted) [At Cost] Non – Trade						
In Equity Shares of joint venture companies						
Dubai Gold and Commodities Exchange DMCC Class B shares	43.70	34.96	-	-	-	-
Safal National Exchange of India Limited	3.00	69.00	-	-	-	-
Less: Provision for diminution in value of Investments	-	-	-	-	-	-
Sub Total	**46.70**	**103.96**	**-**	**-**	**-**	**-**
In equity shares of subsidiary companies						
Multi Commodity Exchange Clearing Corporation Limited	-	-	0.50	60.00	60.00	60.00
MCX Stock Exchange Limited.	-	-	688.50	-	-	-
MCX SX Clearing Corporation Limited	-	-	13.00	-	-	-
SME Exchange of India Limited	-	-	-	-	-	0.51
Sub Total			**702.00**	**60.00**	**60.00**	**60.51**
In equity shares of other company:						
MCX Stock Exchange Limited	-	-	-	27.17	27.17	27.17
MCX SX Clearing Corporation Limited	-	-	-	65.00	65.00	65.00
Safal National Exchange of India Limited	-	-	72.00	72.00	-	-
Less: Provision for diminution in value of Investments	-	-	(72.00)	(72.00)	-	-
Dubai Gold and Commodities Exchange DMCC – Class B shares (company under same management)	-	-	21.85	21.85	21.85	21.85
Sub Total	**-**	**-**	**21.85**	**114.02**	**114.02**	**114.02**
In warrants of other companies:						
MCX Stock Exchange Limited	-	-	-	1,283.54	1,283.54	1,283.54
Sub Total	**-**	**-**	**-**	**1,283.54**	**1,283.54**	**1,283.54**
In units of Mutual Funds						
Axis Fixed Term Plan - Series 15 (370 Days) Dividend Payout	-	-	-	-	-	100.00
ABN AMRO FTPS5 14 Months Plan Inst Growth	50.00	50.00	-	-	-	-
ABN AMRO FTP Ser 10 Plan F Inst. Growth	-	100.00	-	-	-	-
Baroda Pioneer 380 Day FMP - Series 1 – Growth Plan	-	-	-	-	50.00	50.00
Baroda Pioneer 367 Day FMP - Series 2 – Growth Plan	-	-	-	-	-	100.00
Birla FTP Instl – Series AQ Growth	-	100.00	100.00	-	-	-
Birla Sun Life FTP - Series BI Institutional –	-	-	100.00	-	-	-

Particulars	March 31,2007	March 31,2008	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Growth						
Birla Sun Life Fixed Term Plan Series DL - Growth	-	-	-	-	-	100.00
Birla Sun Life Fixed Term Plan Series CI – Growth	-	-	-	-	100.00	-
Birla Sun Life Fixed Term Plan Series CK – Growth	-	-	-	-	100.00	100.00
Birla Sun Life Fixed Term Plan Series CO – Growth	-	-	-	-	100.00	100.00
Birla Sun Life Fixed Term Plan Series DT – Growth	-	-	-	-	-	100.00
DSP BlackRock FMP 12M Series 11 Growth	-	-	-	-	50.00	50.00
DSP BlackRock FMP 12M Series 14 Growth	-	-	-	-	100.00	100.00
DSP BlackRock FMP 12M Series 23 Growth	-	-	-	-	-	50.00
DSP Merrill Lynch Fixed Term Plan Series 3A Growth	50.00	-	-	-	-	-
DBS Chola Liquid Inst. Plus – Cumulative	49.82	-	-	-	-	-
DBS Chola FMP Series 6 (410 Days Plan) Cumulative	50.00	50.00	-	-	-	-
DBS Chola FMP Series 6 (371 days) Cumulative	50.00	50.00	-	-	-	-
DWS Fixed Term Fund Series 18 – Institutional Plan Growth Option	50.00	50.00	-	-	-	-
DWS Fixed Term Fund Series 24 – Institutional Plan Growth Option	50.00	50.00	-	-	-	-
DWS Fixed Term Fund Series 94 Growth	-	-	-	-	-	50.00
Fidelity FMP Series 6 Plan A Growth	-	-	-	-	-	50.00
Fortis FTP Ser 10 Plan F Institutional-Growth	-	-	55.59	-	-	-
HDFC FMP 13M October, 2009 - Series XI - Growth	-	-	-	200.00	-	-
HDFC FMP 26 M – Aug 06 (1) Inst.Growth	50.00	50.00	-	-	-	-
HDFC FMP 18 M Oct 06 (2) Wholesale Growth	50.00	50.00	-	-	-	-
HDFC FMP 15 M March 07 (5) Wholesale Growth	50.00	50.00	-	-	-	-
HDFC 13M March 2008 (VII) (2) Wholesale Growth	-	50.00	-	-	-	-
HDFC FMP 370 D March 2011 (1) - Growth - Series XVI	-	-	-	-	100.00	100.00
HDFC FMP 375 D July 2011 (2) -Dividend - Series XVIII	-	-	-	-	-	100.00
HDFC FMP 370 D December (1) Growth	-	-	-	-	-	100.00
HSBC Fixed Term Series 79 - Growth	-	-	-	-	50.00	50.00
HSBC Fixed Term Series 9 Growth	100.00	-	-	-	-	-
HSBC Fixed Term Series 81 - Dividend	-	-		-	-	100.00
IDFC FMP Yearly Series 19 Plan B Growth	-	-	50.00			-
IDFC FMP Yearly Series 20 Plan B Growth	-	-	50.00	-	-	-

Particulars	March 31,2007	March 31,2008	March 31,2009	March 31,2010	March 31,2011	December 31,2011
ICICI Prudential FMP Series 41-19 Months Plan - Retail Cumulative	-	-	250.00	-	-	-
ICICI Prudential FMP Series 53 - 1Year Plan C Cumulative	-	-	-	-	100.00	-
ICICI Prudential Regular Savings Fund Growth	-	-	-	-	50.00	50.00
ICICI Prudential FMP Series 34 – Fifteen Months Plan – Institutional Growth	30.00	30.00	-	-	-	-
ICICI Prudential Hybrid FMP 13 Months Plan –Institutional Growth	50.00	-	-	-	-	-
ICICI Prudential FMP Series 41 – 19 Months Plan Institutional – Growth	-	250.00	-	-	-	-
IDBI FMP - 367 Days Series I - (February 2011) A Growth		-	-	-	100.00	100.00
IDFC Fixed Maturity Yearly Series 38 Growth	-	-	-	-	100.00	100.00
IDFC Fixed Maturity Yearly Series 40 Growth	-	-	-	-	50.00	50.00
JPMorgan India Fixed Maturity Plan 400 D Series 1 Growth Plan	-	-	-	-	100.00	100.00
JM Fixed Maturity Fund Series XX – Plan B Growth Plan	-	-	-	-	-	50.00
JM Fixed Maturity Fund Series IX – 15 Months Plan – Institutional Growth Plan	-	50.00	50.00	-	-	-
Kotak FMP - 13M Series 5 - Growth	-	-	-	100.00	-	-
Kotak FMP 370 Days Series 2 - Growth	-	-	-	50.00	50.00	-
Kotak Credit Opp.Fund Growth	-	-	-	-	50.00	-
Kotak FMP – 13 M Series 2 – Institutional Growth	50.00	50.00	-	-	-	-
Kotak FMP – 13 M Series 5 – Institutional Growth	-	-	100.00	-	-	-
Kotak FMP Series 21 – Growth	50.00	-	-	-	-	-
Kotak FMP Series 14 – Growth	50.00	-	-	-	-	-
Kotak FMP – 15 M Series 4 Institutional Growth	-	50.00	50.00	-	-	-
L&T FMP - V (December 368 DA) Growth	-	-	-	-	-	50.00
Lotus India FMP – 16 Months Series I Instl. Growth	20.00	20.00	-	-	-	-
LIC MF FMP Series 4-Growth Plan	50.00	-	-	-		
LIC MF FMP Series 5 - Growth Plan	50.00	-	-	-	-	-
LICMF Fixed Maturity Plan Series 32 – 13 Months Growth Plan	-	250.00	-	-	-	-
LICMF Fixed Maturity Plan Series 34 – 16 Months Growth Plan	-	50.00	-	-	-	-
LICMF Fixed Maturity Plan Series 37 – 13 Months	-	100.00	-	-	-	-
Principal PNB Fixed Maturity Plan 385 Days Series XI - Mar 09- Institutional Growth Plan	-	-	50.00	50.00	-	-

Particulars	March 31,2007	March 31,2008	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Principal PNB Fixed Maturity Plan – 385 days Series I – Regular Growth Plan- Mar 06	50.00	-	-	-	-	-
Principal PNB Fixed Maturity Plan – 460 days Series I – Regular Growth Plan	50.00	-	-	-	-	-
Principal Pnb Fixed Maturity Plan II (FMP 29) 460 days Plan Aug 06 Institutional Growth Plan	50.00	-	-	-	-	-
Principal Pnb Fixed Maturity Plan (FMP-31) Series III – Institutional Growth Plan Nov 06	50.00	-	-	-	-	-
Principal Pnb Fixed Maturity Plan (FMP-36) 460 days Series III – March 07 – Institutional Growth Plan	50.00	50.00	-	-	-	-
LICMF Fixed Maturity Plan Series 34 – 16 Months Growth Plan	-	50.00	-	-	-	-
LICMF Fixed Maturity Plan Series 37 – 13 Months	-	100.00	-	-	-	-
Principal PNB Fixed Maturity Plan 385 Days Series XI - Mar 09- Institutional Growth Plan	-	-	50.00	50.00	-	-
Principal PNB Fixed Maturity Plan – 385 days Series I – Regular Growth Plan- Mar 06	50.00	-	-	-	-	-
Principal PNB Fixed Maturity Plan – 460 days Series I – Regular Growth Plan	50.00	-	-	-	-	-
Principal Pnb Fixed Maturity Plan II (FMP 29) 460 days Plan Aug 06 Institutional Growth Plan	50.00	-	-	-	-	-
Reliance Fixed Horizon Fund - XII - Series 3 - Super Institutional Plan Growth	-	-	100.00	100.00	-	-
Reliance Fixed Horizon Fund XVI Series 2 - Growth Plan	-	-	-	-	100.00	-
Reliance Fixed Horizon Fund XVI Series 3 - Growth Plan	-	-	-	-	100.00	-
Reliance Fixed Horizon Fund XIX Series 8 - Growth Plan	-	-	-	-	100.00	100.00
Reliance Fixed Tenor Fund Plan A – Growth Option	10.00	-	-	-	-	-
Reliance Fixed Tenor Fund Plan B – Growth Option	50.00	50.00			-	-
Reliance Fixed Horizon Fund Institutional Plan C Series I Institutional Growth Plan	200.00	200.00	-	-	-	-
Reliance Fixed Horizon Fund I – Institutional Plan	50.00	-	-	-	-	-

Particulars	March 31,2007	March 31,2008	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Annual Plan I – Series I Institutional Growth Plan						
Reliance Fixed Horizon Fund – Plan C - Series III – Institutional Growth Plan	50.00	50.00	-	-	-	-
Reliance Fixed Horizon Fund III - Annual Plan Series I - Institutional Growth Plan	50.00	50.00	-	-	-	-
Reliance Fixed Horizon Fund IV – Series 7 Institutional Growth Plan	-	50.00	-	-	-	-
Reliance Fixed Horizon Fund VII –Series 4 Institutional Growth Plan	-	50.00	-	-	-	-
Reliance Regular Savings Fund – Debt Plan – Institutional Growth Plan	-	-	-	110.00	112.30	112.30
Reliance Fixed Horizon Fund XX Series 24 Dividend Plan	-	-	-	-	-	100.00
Reliance Fixed Horizon Fund XXI Series 13 - Growth Plan	-	-	-	-	-	100.00
Reliance Fixed Horizon Fund XXI Series 14 - Growth Plan	-	-	-	-	-	100.00
Religare Yearly FMP - Series I - Plan A (375 Days) – Inst. Growth	-	-	100.00	100.00	-	-
Religare Fixed Maturity Plan Series III Plan F (370 Days) Growth	-		-	-	100.00	-
Religare Fixed Maturity Plan Series IV Plan E (370 days)Growth Plan	-	-	-	-	100.00	-
Religare Fixed Maturity Plan Series IV Plan F Growth Plan		-	-	-	100.00	100.00
Religare Fixed Maturity Plan Series VI Plan B (370 Days) Growth Plan	-	-	-	-	50.00	50.00
Religare Fixed Maturity Plan Series VII Plan C (369 Days) Dividend Plan	-	-	-	-	-	100.00
Religare Fixed Maturity Plan Series VIII Plan F (369 Days) Dividend	-	-	-	-	-	100.00
Religare Fixed Maturity Plan Series X Plan B (370 Days) Dividend	-	-	-	-	-	100.00
Religare Fixed Maturity Plan Series X Plan F Growth	-	-	-	-	-	100.00
SBI Debt Fund Series 367 Days 5 - Dividend	-	-	-	-	-	100.00
SBI Debt Fund Series 367 Days 9 - Growth	-	-	-	-	-	100.00
SBI Debt Fund Series 367 Days 11 – Growth	-	-	-	-	-	100.00
Standard Chartered Fixed Maturity Plan Series 19 Plan B Growth	-	50.00	-	-	-	-
Standard Chartered Fixed Maturity Plan	-	50.00	-	-	-	-

Particulars	March 31,2007	March 31,2008	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Series 20 Plan B Growth						
Sundaram BNP Paribas Fixed Term Plan D Inst.Growth	-	50.00	-	-	-	-
SBNPP Fixed Term Plan F Inst. - Growth	-	-	100.00	-	-	-
SBNPP FTP 367 Days Series 8 Super Inst-Growth	-	-	100.00	100.00	-	-
SBNPP FTP 18 Months Series Y - Growth	-	-	-	50.00	50.00	-
Sundaram Fixed Term Plan AS 367 Days Growth	-	-	-	-	50.00	-
Sundaram Fixed Term Plan BN 366 Days Growth	-	-	-	-	-	50.00
Sundaram Fixed Term Plan CA 366 Days Growth	-	-	-	-	-	50.00
Tata Fixed Horizon Fund - Series 3 - Scheme D – 13 months - Growth	30.00	-	-	-	-	-
Tata Fixed Horizon Fund - Series 5 - Scheme G – Growth	50.00	50.00	-	-	-	-
Tata Fixed Maturity Plan Series 29 Scheme A - Growth	-	-	-	-	50.00	-
Tata Fixed Maturity Plan Series 29 Scheme C - Growth	-	-	-	-	50.00	50.00
Tata Fixed Maturity Plan Series 31 Scheme B - Growth	-	-	-	-	50.00	50.00
Tata Fixed Maturity Plan Series 36 Scheme B - Dividend	-	-	-	-	-	100.00
Tata Fixed Maturity Plan Series 37 Scheme B - Growth	-	-	-	-	-	100.00
Tata Fixed Maturity Plan Series 37 Scheme C - Growth	-	-	-	-	-	50.00
Templeton India Income Opportunities Fund - Growth	-	-	-	50.00	100.00	100.00
Templeton Fixed Horizon Fund Series VII – Plan C Institutional Growth	-	-	50.00		-	-
Taurus Fixed Maturity Plan 15 Months Series 1 Institutional Growth Plan	-	-	-	50.00	50.00	-
UTI Fixed Term Income Interval Fund Annual Interval Plan Series II Institutional Dividend Plan Payout	-	-	-	-	-	100.00
UTI Fixed Term Income Fund Series X - IV (369 days) Dividend Plan - Payout	-	-	-	-	-	50.00
UTI - Fixed Maturity Plan Yearly Series /0606 Growth Plan	50.00	-	-	-	-	-
UTI - Fixed Maturity Plan -(YFMP/0906) Growth Plan	70.00	-	-	-	-	-
UTI Fixed Maturity Plan Yearly SeriesYFMP/0307 Growth Plan	50.00	50.00	-	-	-	-

Particulars	March 31,2007	March 31,2008	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Sub Total	**1,859.82**	**2,300.00**	**1,305.59**	**960.00**	**2,412.30**	**3,962.30**
Current: (Unquoted) [At Lower of Cost and Fair Value] Non –Trade						
In units of mutual funds						
ABN AMRO Interval Fund Quarterly Plan L-Dividend on maturity	-	50.66	-	-	-	-
ABN AMRO Interval Fund Monthly Plan A Dividend	-	50.00	-	-	-	-
AIG Short Term Fund Institutional Weekly Dividend	-	50.26	-	-	-	-
Baroda Pioneer Treasury Advantage Fund - Institutional Daily Dividend Plan	-	-	-	200.34	353.49	250.42
Baroda Pioneer 90 Day FMP - Series 5 - Dividend Plan	-	-	-	-	-	50.00
Baroda Pioneer Liquid Fund – Institutional Daily Dividend	-	-	350.33	-	-	-
Baroda Pioneer PSU Bond Fund Monthly Dividend Plan	-	-	-	-	-	49.96
Birla Sunlife Cash Manager IP Daily Dividend – Reinvestment	-	-	50.01	-	-	-
Birla FTP - Quarterly Series 5 - Dividend Payout	50.00	-	-	-	-	-
Birla FTP - Quarterly Series 10 - Dividend – Payout	50.00	-	-	-	-	-
Birla Income Plus Quarterly Dividend Reinvestment	-	146.92	-	-	-	-
BSL Interval Income – Instl – Monthly Series 2 – Dividend Payout	-	100.00	-	-	-	-
BSL Interval Income Fund – Instl – Quarterly Series 3 – Dividend Payout	-	50.00	-	-	-	-
BSL Interval Income Instl – Monthly – Series 1 Dividend Payout	-	100.00	-	-	-	-
BSL Qtly Interval Series 6 Dividend Payout	-	50.01	-	-	-	-
BSL Interval Income Fund - INSTL - Quarterly – Series 1 - Dividend Payout	-	-	-	50.04	-	-
Birla Sunlife Short Term FMP Series 7 Dividend - Payout	-	-	-	-	100.01	-
Birla Sunlife Short Term FMP Series 9 Dividend - Payout	-	-	-	-	100.00	-
Birla Sunlife Income Fund Growth	-	-	-	-	-	100.00
Birla Sunlife Short Term FMP Series 19 Dividend Payout	-	-	-	-	-	100.00
Birla Sunlife Short Term FMP Series 23 Dividend Payout	-	-	-	-	-	50.00
Birla Sunlife Short Term FMP Series 22 Dividend Payout	-	-	-	-	-	100.00

Particulars	March 31,2007	March 31,2008	March 31,2009	March 31,2010	March 31,2011	December 31,2011
BSL Interval Income Fund - INSTL - Quarterly - Series 2 - Dividend Payout	-	-	-	50.00	-	-
BSL Floating Rate Fund - Long Term - INSTL - Weekly Dividend	-	-	-	100.24	-	-
BNP Paribas Short Term Income Fund Institutional Quarterly Dividend	-	-	-	-	-	148.89
BNP Paribas Fixed Term Fund Ser 19 F Cal.Qtrly.Dividend	-	-	-	-	50.00	-
BNP Paribas Fixed Term Fund Ser 20 B Dividend	-	-	-	-	50.00	-
Canara Robeco Interval Series 2 - Quarterly Plan 2 Inst Dividend Fund	-	-	-	-	-	49.98
Canara Robeco Short Term Institutional Dividend Fund	-	-	50.01	-	-	-
Canara Robeco Short Term Institutional Growth Fund	-	-	-	-	-	100.00
Canara Robeco Liquid Plus Institutional Dividend Fund	-	100.17	-	104.26	-	-
Canara Robeco Short Term Institutional Monthly Dividend Fund	-	-	-	100.02	-	-
Daiwa Fixed Maturity Plan A Series 1 Dividend	-	-	-	-	-	50.00
DBS Chola Interval Income Fund MPI – A – Dividend Auto rollover	-	102.99	-	-	-	-
DBS Chola Liquid Inst Daily Dividend Reinvestment Plan	-	500.13	-	-	-	-
DWS Fixed Term Fund Series 86 – Div. Option	30.00	-	-	-	-	100.00
DBS Chola FMP- Series 6 (Quarterly Plan-3) – Dividend	30.00	-	-	-	-	-
DWS Credit Opportunities Cash Fund – 90 Days Regular Monthly Dividend	-	50.00	-	-	-	-
DWS Quarterly Interval Fund Series I Dividend Plan	-	50.00	-	-	-	-
DWS Insta Cash Plus Fund Super Institutional Plan Daily Dividend	-	-	203.73	100.02	-	-
DWS Treasury Fund Investment - Insti Plan - Daily Dividend - Reinvest	-	-	-	100.29	-	-
DWS Cash Opportunities Cash Fund - Institutional Daily Dividend -Reinvest	-	-	-	150.42	-	-
DWS Treasury Fund Investment - Insti Plan - Daily Dividend - Reinvest	-	-	-	-	-	52.24
DSP BlackRock FMP 3M 29 Dividend	-	-	-	-	50.01	-
DSP BlackRock FMP 3M 28 Dividend	-	-	-	-	100.00	
DSP BlackRock FMP 6M Series 9 Dividend Payout	-	-	-	-	-	100.00
DSP BlackRock Short Term Fund Monthly Dividend	-	-	-	-	-	49.83
DSP BlackRock FMP 6M Series 10 Dividend Payout	-	-	-	-	-	100.00
DSP BlackRock FMP 6M Series 11 Dividend Payout	-	-		-	-	100.00
DSP BlackRock FMP 3M Series 19	-	-	-	-	-	100.00

Particulars	March 31,2007	March 31,2008	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Dividend Payout						
Fidelity Ultra Short Term Debt Fund Super Institutional Daily Dividend	-		-	50.02	-	-
Fidelity Short Term Income Fund - Dividend	-	-	-	-	150.04	-
Fortis Overnight Institutional Plus – Daily Dividend	-		151.54	100.02	-	-
Grindlays Floating Rate Fund – LT – Inst. Plan B Daily Dividend	-	101.30	-	-	-	-
HDFC Quarterly Interval Fund - Plan C Whole Sale Dividend	-	52.01	-	-	-	100.00
ICICI Prudential Institutional Liquid Super Institutional Plan - Dividend - Daily	-	-	-	100.03	-	-
ICICI Prudential Institutional Short Term Plan - DR - Fortnightly	-	-		103.07	-	-
ICICI Prudential Interval Fund II Quarterly Interval Plan B - Institutional Dividend	-	-	-	-	100.01	-
ICICI Prudential Banking and PSU Debt Fund Premium Plus Daily Dividend	-	-	-	100.40	354.01	-
ICICI Prudential Banking and PSU Debt Fund Premium PlusWeekly Dividend	-	-	-	-	-	101.40
ICICI Prudential Interval Fund II Quarterly Interval Plan A Institutional Dividend	-	-	-	-	100.00	100.00
ICICI Prudential FMP Series 53 - 6 Months Plan A Dividend	-	-	-	-	100.00	-
ICICI Prudential Flexible Income Plan Dividend – Daily Reinvest Dividend	-	100.44	-	-	-	-
ING Fixed Maturity Fund Series 43 Institutional Dividend	-	50.00	-	-	-	-
ICICI Prudential Institutional Income Plan Dividend – Quarterly Pay Dividend	-	9.03	-	-	-	-
ICICI Prudential Institutional Liquid Plan – Super Institutional Daily Dividend	-		100.02	-	-	-
ICICI Prudential Blended Plan B Institutional Daily Dividend Option - II	-		-	369.14	-	-
ICICI Prudential Interval Fund Half Yearly Interval Plan - II Institutional Dividend	-	-	-	-	-	100.00
ICICI Prudential Money Market Fund Cash Daily Dividend	-	-	-	-	-	100.02
ICICI Prudential Interval Fund Quarterly Interval Plan - 1 Institutional Dividend		-	-	-	-	100.00
IDFC Ultra Short Term Fund Daily Dividend	-	-	-	-	100.70	-
IDFC Half Yearly Series 12 Dividend	-	-	-	-	101.51	-
IDFC SSIF ST Plan C Monthly Dividend	-	-	-	-	-	99.27
JM Short Term Fund Institutional Plan Growth	-	-	-	-	-	100.00
JM Money Manager Fund Super Plan Institutional Plan Growth	-	-	-	-	-	100.00
JM High Liquidity Fund Super Institutional Plan Daily Dividend	-	49.35	-	-	-	-
JPMorgan India Short Term Income Fund Growth Plan	-	-	-	-	-	250.00

Particulars	March 31,2007	March 31,2008	March 31,2009	March 31,2010	March 31,2011	December 31,2011
JP Morgan India Liquid Plus Fund – Dividend Plan Reinvest	-	100.39	-	-	-	-
JPMorgan India Treasury Fund – Super Inst. Daily Dividend - Reinvest	-	-	202.27	-	-	-
JM Fixed Maturity Fund - Series IV - Quarterly Plan 1 - Dividend Plan (189)	50.77	-	-	-	-	-
JM Fixed Maturity Fund Series XIX Plan B - Dividend Plan	-	-	-	-	100.00	-
JPMorgan India Liquid Fund - Super Inst. Daily Dividend Plan - Reinvest	-	-	-	100.02	-	-
Kotak Quarterly Interval Plan Series 6 Dividend	-	-		100.00	50.01	-
Kotak Quarterly Interval Plan Series 5 Dividend	-	-	-	-	50.01	-
Kotak Quarterly Interval Plan Series 3 Dividend	-	-	-	-	101.14	-
Kotak FMP - 6M - Series 2 – Dividend	50.00	-	-	-	-	-
Kotak FMP - 3M - Series 8 – Dividend	60.02	-	-	-	-	-
Kotak FMP - 3M - Series 10 – Dividend	50.00		-	-	50.00	-
Kotak Bond (Regular) Qtly Dividend	-	48.57	-	-	-	-
Kotak FMP 3M Series 27 Dividend	-	50.00	-	-		-
Kotak Flexi Debt Scheme - Institutional Daily Dividend	-		-	-	-	-
L&T Liquid Inst Daily Dividend Reinvestment	-	-	-	100.02	-	-
L&T FMP -III (Feb 180DA) - Div Payout	-	-	-	-	100.00	-
LIC MF Liquid Fund -Dividend Plan	352.55	-	506.05	-	-	-
L&T FMP -V (November 90DA) - Div Payout	-	-	-	-	-	100.00
L&T Short Term Debt Fund GrowthPlan	-	-	-	-	-	150.00
Mirae Asset Liquid Plus Super Inst Dividend Plan (Daily)	-	100.43	-	-	-	-
Morgan Stanley Liquid Fund Daily Dividend	-		-	-	-	150.38
Morgan Stanley Short Term Bond Fund - Institutional Plus Weekly Dividend	-	-	-	201.19	-	-
Pramerica Liquid Fund - Daily Dividend Option - Reinvestment	-	-	-	-	200.15	-
Principal Pnb Fixed Maturity Plan 91 Days - Series A1 - Regular - Dividend Payout	-	-	-	-	-	-
Principal Cash Management Fund Dividend Reinvestment Daily		-	-	-	-	-
Principal Pnb Fixed Maturity Plan 91 Days Series XXVIII Dividend Plan	-	-	-	-	50.01	-
Principal Cash Management Fund – Liquid Option Instl. Premium Plan	-	-	150.04	-	-	-
Principal Floating Rate Fund Insti. Option Dividend Reinvestment Daily	-	200.36	-	-	-	-
Principal Pnb Fixed Maturity Plan (FMP-38) 91 Days - Series IX - Mar 07 Dividend	50.00	-	-	-	-	-

Particulars	March 31,2007	March 31,2008	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Payout						
Reliance Fixed Horizon Fund - XVIII Series 1 Dividend Plan	-	-	-	-	100.00	
Reliance Fixed Horizon Fund - XVIII Series 3 Dividend Plan	-	-	-	-	100.00	-
Reliance Liquid Fund - Treasury Plan Institutional Option - Daily Dividend Option (Dividend Reinvestment)	-	-	-	50.22	-	-
Reliance Short Term Fund - Retail Plan - Dividend Plan	-	-	-	207.21	-	-
Reliance Quarterly Interval Fund Series II Institutional Dividend Plan	-	-	-	-	50.00	-
Reliance Liquidity Fund Daily Dividend Reinvestment Option- (LQDD)	83.34	37.97	100.57	-	-	-
Reliance Monthly Interval Fund Series I Institutional Dividend Plan	-	150.00	-	-	-	-
Reliance Fixed Horizon Fund - XX Series 5 Dividend Plan	-	-	-	-	-	100.00
Reliance Fixed Horizon Fund - XX Series 8 Dividend Plan	-	-	-	-	-	200.00
Religare Liquid Fund - Super Institutional Daily Dividend	-	-	50.05	100.02	-	
Religare Fixed Maturity Plan Series IX Plan A (180 Days) Dividend Plan	-	-	-	-	-	100.00
Religare Quarterly Interval Fund – Plan F – Dividend	-	-	100.00	-	-	-
Religare Short Term Plan - Institutional Daily Dividend	-	-	-	103.81	-	-
Religare Credit Opportunities Fund - Institutional Monthly Dividend	-	-	-	100.00	-	99.52
Religare Active Income Fund - Institutional - Monthly Dividend		-	-	100.51	-	-
Religare Fixed Maturity Plan - Series IV - Plan B (6 Months) - Dividend	-	-	-	-	100.00	-
Religare Medium Term Bond Fund - Quarterly Dividend	-	-	-	-	100.00	-
SBI Premier Liquid Fund Super Institutional - Daily Dividend	-	-	-	60.57	-	200.08
SBI DFS 180 Days 15 Dividend	-	-	-	-	100.00	-
SBI DFS 180 Days 12 Dividend	-	-	-	-	100.00	-
SBI DFS 180 Days 16 Dividend	-	-	-	-	100.00	-
SBI DFS 180 Days 23 Dividend	-	-	-	-	-	100.00
SBI DFS 180 Days 22 Dividend	-	-	-	-		200.00
SBI DFS 180 Days 21 Dividend	-	-		-	-	100.00
Sundaram Interval Fund Qly Plan A Inst Div	-	-	-	-	-	50.00
SBNPP Interval Fund Qly Plan D Inst Div	-	-	-	-	104.49	54.73
SBI Magnum Insta Cash Daily Dividend	-	-	50.17	-	-	-
SBI Magnum Debt Fund Series - 180 Days (November 06) – Dividend	100.00	-	-	-	-	-
SBNPP Money Fund Super Institutional Daily Dividend Reinvestment	-	-	100.10	50.03	-	-

Particulars	March 31,2007	March 31,2008	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Sundaram Interval Fund Qly Plan C Inst Div	-	-	-	-	100.02	-
Sundaram Fixed Term Plan BI 6 Months Dividend	-	-	-	-	-	100.00
Standard Chartered Fixed Maturity Plan - Quarterly Series 3-Dividend	50.00	-	-	-	-	-
Tata Dynamic Bond Fund Option A - Dividend	-	100.02	-	-	-	-
Tata Fixed Horizon Fund - Series 8 - Scheme E - Monthly Div - Inst Plan	50.00	-	-	-	-	-
Tata Fixed Income Portfolio Fund Scheme A2 Institutional Monthly Div	-	50.25	-	-	-	-
Tata Fixed Income Portfolio Fund Scheme C2 Inst Hlaf Yearly	-	-	-	-	100.00	200.00
Tata Fixed Maturity Plan Series 28 Scheme A Dividend	-	-	-	-	100.02	-
Tata Fixed Maturity Plan Series 28 Scheme B Dividend	-	-	-	-	100.00	-
Tata Fixed Income Portfolio Fund Scheme C3 Inst Half Yearly Dividend	-	-	-	-	-	100.00
Taurus Ultra Short Term Bond Fund Super Insti Daily Dividend Plan	-	-	-	302.55	-	-
Taurus Dynamic Income Fund Growth	-	-	-	-	-	100.00
Taurus Fixed Maturity Plan 91 Days Series A - Dividend Plan	-	-	-	-	100.00	-
Taurus Fixed Maturity Plan 91 Days Series B - Dividend Plan	-	-	-	-	100.00	
Taurus Quarterly Interval Fund Series 2 Dividend Plan	-	-	-	-	-	50.00
Templeton India Ultra Short Bond Fund Super Institutional Plan – Daily Dividend Reinvestment	-	-	403.95	-	-	-
Templeton India Low Duration Fund - Monthly Dividend Payout	-	-	-	-	-	50.00
Templeton India Short Term Income Plan Institutional - Monthly Dividend Payout	-	-	-	-	-	50.00
Union KBC FMP Series 1 Dividend	-	-	-	-	-	75.00
Union KBC FMP Series 2 Dividend	-	-	-	-	-	50.00
UTI Fixed Maturity Plan Half yearly Series HFMP/1206 - Dividend Plan – Payout	50.00	-	-	-	-	-
UTI Fixed Maturity Plan Quarterly Series QFMP/0107/I - Dividend Plan – Payout	50.00	-	-	-	-	-
UTI Fixed Maturity Plan Quarterly Series QFMP/0107/II - Dividend Plan – Reinvestment	101.30	-	-	-	-	
UTI Liquid Cash Plan Institutional – Daily Income Option – Reinvestment	-	-	100.01	100.02	-	-
UTI Fixed Maturity Plan HFMP 03/08 – I - Institutional Dividend Plan – Payout	-	50.00	-	-	-	-
UTI Fixed Income Interval Fund Quarterly Interval Plan Series I – Institutional Dividend Plan Payout	-	50.00	-	-	-	-
UTI - Fixed Income Interval Fund -	-	-	-	100.00	-	-

Particulars	March 31,2007	March 31,2008	March 31,2009	March 31,2010	March 31,2011	December 31,2011
Monthly Interval Plan - II - Institutional Dividend Plan - Payout						
UTI Fixed Income Interval Fund - Quarterly Plan Series III - Institutional Dividend Plan Payout	-	-	-	50.00	-	-
UTI Fixed Income Interval Fund - Monthly Interval Plan II - Institutional Dividend Plan Payout		-	-	-	100.02	-
UTI Fixed Income Interval Fund Series II - Quarterly Interval Plan IV - Institutional Dividend Plan	-	-	-	-	100.00	100.00
UTI Fixed Income Interval Fund Series II – Quarterly Interval Plan V - Institutional Dividend Plan	-	-	-	50.28	100.00	100.00
UTI Fixed Income Interval Fund Series II – Quarterly Interval Plan VI - Institutional Dividend Plan	-	-	-	-	-	100.00
UTI Fixed Income Interval Fund Half Yearly Interval Plan II - Institutional Dividend Plan Payout	-	-	-	-	100.00	-
UTI Short Term Income Fund Institutional Income Option - Payout	-	-	-	-	-	49.31
UTI Spread Fund	-	103.88	-	100.00	-	-
Sub Total	**1,257.98**	**2,845.14**	**2,668.85**	**3,754.76**	**4,365.65**	**5,531.03**
Share Application Money towards Equity Shares of Safal National Exchange of India Limited (since allotted)	**2.85**	-	-	-	-	-
Sub Total	**2.85**	-	-	-	-	-
Total	**3,167.35**	**5,249.10**	**4,698.29**	**6,172.32**	**8,235.51**	**10,951.40**

Note:

a)The Company holds 634,170,000 warrants of MCX-SX as at 31 December 2011. Each warrant entitles the holder to subscribe to one equity share of Re. 1/- each of MCX-SX at any time after six months from the date of issue of warrants. The warrants are also freely transferable by endorsement and delivery. The warrants do not carry voting or dividend rights. The Company cannot increase, at any point of time, their shareholding in MCX-SX beyond permissible limits under MIMPS Regulations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated consolidated financial statements as of and for the fiscals 2009, 2010 and 2011 and the nine months ended December 31, 2011, prepared in accordance with India GAAP, the Companies Act and the SEBI ICDR Regulations, including the significant accounting policies and notes thereto and reports thereon appearing elsewhere in this Red Herring Prospectus. Indian GAAP differs in significant respects from IFRS and U.S. GAAP. See "Risk Factors — Risks Relating to the Investment in the Equity Shares — Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessment of our financial condition. Our failure to successfully adopt IFRS could have an adverse effect on our stock price" on page 42.

Our fiscal ends on March 31 of each year, so all references to a particular fiscal are to the 12-month period ended March 31 of that year.

Overview

We are the leading commodities exchange in India based on value of commodity futures contracts traded. We are a de-mutualised exchange and received permanent recognition from the Government of India on September 26, 2003, to facilitate nationwide online trading, clearing and settlement operations of commodities futures transactions. The total value of commodity futures contracts traded on our Exchange in the nine months ended December 31, 2011 and the fiscals 2011, 2010 and 2009 was ₹ 119,806.89 billion, ₹ 98,415.03 billion, ₹ 63,933.03 billion and ₹ 45,880.95 billion, respectively. According to data maintained by the FMC, these amounts represented 87.3%, 82.4%, 82.3% and 87.4% of the Indian commodity futures industry in terms of the value of commodity futures contracts traded during the same periods.

A majority of the commodities we offer are significant in the Indian and global context and are also traded on international exchanges. As of December 31, 2011, we offered trading in 49 commodity futures based on contract specifications, from a diverse range of classes including bullion, ferrous and non-ferrous metals, energy, weather and agriculture. As of December 31, 2011, we had 2,153 members on our Exchange's platform, with over 296,000 terminals including CTCL spread over 1,572 cities and towns across India.

For the nine months ended December 31, 2011, the total number of futures contracts in silver, gold, crude oil and copper, which were the top four commodities traded on our Exchange, was 101.80 million, 72.80 million, 42.66 million and 26.87 million, respectively. During the fiscal 2011, the total number of futures contracts in silver, gold, crude oil and copper, which were the top four commodities traded on our Exchange, were 46.0 million, 30.5 million, 46.3 million and 31.0 million, respectively.

Our operations are sustained by the exchange related support infrastructure and software that we have or sourced from our Promoter, FTIL. Our technology infrastructure includes central matching engines, high end Intel servers, channel based storage area network and networking equipment for providing secured connectivity through very small aperture terminals, virtual private networks, leased lines and the internet.

We offer market data and information services to third parties in relation to the commodity futures contracts traded on our Exchange for direct and indirect dissemination to market participants. We have entered into agreements with several financial information service agencies, including Bloomberg Finance L.P., IQN Data Solutions Private Limited, Interactive Data (Europe) Limited, NewsWire 18 Private Limited, TickerPlant Limited and Reuters India Private Limited to provide real time data-feed on trading prices, trading volume and other information on the commodity futures contracts which are traded on our Exchange and similar information on commodities traded on the spot markets.

On September 23, 2011, we recorded the highest daily turnover on our Exchange since our inception, which was ₹ 1,116.66 billion. The average monthly turnover on our Exchange for the nine months ended December 31, 2011 and the fiscals 2011, 2010 and 2009 was ₹ 13,311.88 billion, ₹ 8,201.25 billion, ₹ 5,327.75 billion and ₹ 3,823.41 billion, respectively. For the same periods, the average daily turnover on our Exchange was ₹ 514.19 billion, ₹ 320.57 billion, ₹ 209.62 billion and ₹ 148.96 billion, respectively.

We derive our income primarily from transaction fees with respect to the trades executed on our Exchange, annual subscription fees, member admission fees, terminal charges, proceeds of sale and dividends from investments and interest from bank deposits.

Key Factors Affecting Our Results of Operations

Our financial condition and results of operations are affected by numerous factors. We believe the following are of particular importance:

Growth in the Indian Economy. General economic conditions in India have a significant impact on our results of operations. The Indian economy grew 6.7% in the fiscal 2009, 7.2% in the fiscal 2010 and 8.6% in the fiscal 2011. We believe growth in the overall economy is expected to drive the underlying demand for commodities. As the consumption of physical commodities increases in India, the overall volume of commodities being traded in India is expected to increase which, in turn, may lead to an increase in trading volumes on our Exchange. This will have a positive impact on our results of operations.

Trading Volumes and Contract Values. The volume and value of contracts traded on our Exchange have a direct impact on our revenues, as our transaction fees are calculated on the basis of the value of commodity futures contracts traded on our Exchange. Trading volume is primarily influenced by factors outside our control. These external factors include, among other things, price volatility in the underlying commodities, government initiatives to promote the commodity futures industry and other government changes to monetary, fiscal, agricultural or trade policies, the number of market participants, domestic and international economic, political and market conditions, domestic and international trends in demand, supply and prices, weather conditions in relation to agricultural commodities, interest rates, foreign exchange rates and inflation. Each of these factors has contributed to the change in trading volumes on our Exchange. While not certain, we expect that the favourable factors that contributed to recent volume increases will continue to contribute to future volume levels. However, additional factors may arise that could offset future increases or result in a decline in commodity futures contract trading volume, such as new or existing competition, adverse legislative changes or other similar events.

Technological Advancements. The successful operation of our business and operating results, are dependent in part on our use and deployment of technology. Our electronic platform is supported by advanced technology which enables our Exchange to operate efficiently and reliably, allowing our members to benefit from immediate trade execution, anonymity and price transparency. It also provides our members order routing, trade reporting, market data dissemination and market surveillance services. At present, our online exchange is accessible through multiple media of secured connectivity including VSATs, VPN, leased lines, and the internet. We expect that advances in technology will enable us to provide more efficient trade execution services, increase our economies of scale, and increase connectivity options of our Exchange, all of which are expected to have a positive impact on our revenues. However, if we are not able to keep pace with the technological developments in the Indian and other global markets or our electronic trading platform is disrupted, our financial condition and results of operations may be adversely affected.

Regulatory Environment. Government initiatives play an important role in the development of the commodities exchange industry in India. All aspects of our operations are subject to oversight and regulation by FMC. For example, our revenues are dependent on the type and number of products we offer on our Exchange. Under current regulations, FMC must approve all commodities and commodity futures contracts that can be traded on any exchange in India. Such regulations may limit our operational freedom or increase our regulatory costs. Similarly Indian regulations currently do not permit options trading in commodities, which, when permitted, we believe may result in increased trading activity on our Exchange. FMC also regulates the types of participants who can trade on commodity futures exchanges. For example, under current legislation, foreign institutional investors, banks and mutual funds cannot trade in commodity exchanges. If allowed, we believe this may result in increased market activity and contribute to the overall growth of the Indian commodity futures market. In addition, FMC and the Ministry of Consumer Affairs may introduce changes in laws, regulations or governmental policies which may require us to allocate more resources to regulatory compliance and oversight, which may impede our ability to operate and grow our business. This may have an adverse effect on our financial condition and results of operations.

Competition. Our results of operations are affected by competition in the commodity exchange industry in India. We compete primarily against four other national, fully electronic commodity exchanges in India, namely the NCDEX, NMCE, ICEX and ACE. We expect competition to intensify as these competitors may further expand their product offerings and market presence and new commodities future exchanges are established and existing securities exchanges that do not currently trade commodity futures consider doing so. Increased competition could lead to intense price pressure and we may not be able to compete effectively. If our products, markets and services are not competitive, our financial condition and results of operations may be adversely affected.

Critical Accounting Policies

Our financial statements are prepared in accordance with Indian GAAP and the accompanying notes thereto included elsewhere in this Red Herring Prospectus include information that is relevant to this discussion and analysis of our financial condition and results of operations. The preparation of our financial statements requires our management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenditures, and the related disclosure of cash flows and contingent liabilities, among others. Certain key accounting policies relevant to our business and operations have been described below. For a detailed description of our significant accounting policies, see Annexure IV of the restated financial statements under Indian GAAP included in the section titled “Financial Statements” on page 247.

Basis of Consolidation

Our restated consolidated financial statements present the consolidated results of operations of (i) our Company; (ii) our wholly owned subsidiary, Multi Commodity Exchange Clearing Corporation Limited (“MCX CCL”), incorporated in 2008 and which has not yet commenced operations; (iii) our associate company, MCX-SX Clearing Corporation Limited (“MCX-SX CCL”), incorporated on November 7, 2008 and in which we currently hold 26.0% of the equity share capital and is engaged in the business of carrying out the settlement and clearing operations of MCX Stock Exchange Limited (“MCX-SX”); and (iv) our subsidiary, SME Exchange of India Limited (“SME”), incorporated on September 14, 2010 and in which we currently hold 51.0% of the equity share capital.

The financial statements of MCX-SX, in which our Company held 51.0% and 5.0%, as of March 31, 2009 and March 31, 2010 (and thereafter), respectively, have not been included for the purposes of preparation of our restated consolidated financial statements. As of March 31, 2010, MCX-SX ceased to be a subsidiary of our Company. Further, as of March 31, 2009, considering the temporary control, MCX-SX was not considered for consolidation in our financial statements. MCX-SX has been accounted as a long term investment in accordance with ‘Accounting Standard 13 – Accounting for Investment’.

Safal National Exchange of India Limited (“SNX”), a joint venture company in which our Company had 30.0% of the equity share capital, permanently ceased operations as of March 31, 2009, and therefore financial statements of SNX were not available as of March 31, 2009 onwards.. The Company has accounted for its investment in SNX of ₹ 72 million under Accounting Standard 13 ‘Accounting for Investments’ prescribed in the Rules and has fully provided for diminution in value being other than temporary and for advances due from SNX based on its assessment of net realizable values of SNX’s assets and liabilities in fiscal 2009.On June 25, 2010, we entered into a settlement agreement with Mother Dairy Fruit & Vegetable Private Limited (“MDFVL”) to terminate SNX and transfer of shares to MDFVL and settlement of advances recoverable from SNX. Accordingly necessary accounting adjustments have been made in the year ended March 31, 2011.

The restated consolidated financial statements have been prepared in accordance with Accounting Standard 21 – ‘Consolidated Financial Statements’ and Accounting Standard 23 – ‘Accounting for Investments in Associates in Consolidated Financial Statements’:

Investment in Subsidiaries

The restated financial statements of our Company and our Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of the assets, liabilities, income and expenses, after elimination of the intra-group balances, intra group transactions and unrealised profits or losses on balances remaining within the group. Our financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Investment in Associate Company

The restated consolidated financial statements include the share of profit or loss of associate companies, accounted under the 'Equity method' under which we originally recorded our investment at cost and the carrying amount is increased or decreased to recognise our share of profits or losses and changes directly included in the associate's equity after the date of acquisition. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.

Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible Assets

Intangible assets are stated at the cost of acquisition reduced by accumulated amortization and impairment loss, if any.

Depreciation

Depreciation on assets has been provided on straight-line method at rates prescribed by Schedule XIV of the Companies Act except for assets that are depreciated over their estimated useful life as determined by our management. These assets are computer software, trademark, copyright and networking equipments (such as VSAT), which are depreciated over a period of 60 months on a straight-line basis. Leasehold improvements are depreciated over the residual period of the lease.

Revenue Recognition

Revenue (or income) is recognised when no significant uncertainty as to the measurement and realisation exists, in the following manner:

- admission fees are non-refundable and are collected from the new members on their joining our Exchange. They are recognised when the admission fees are received and the member is approved;
- annual subscription fees collected from members are-non refundable and are accrued annually;
- transaction fees are charged to members based on the value of transactions entered into by the members through the Exchange. These are accrued when orders placed by members on the network are matched and confirmed. Minimum usage charges in excess of appropriation towards value based transaction fees are accrued quarterly. Fees collected in excess of appropriations are included in current liabilities;
- revenue from terminal charges is accrued on creation of a new chargeable user identification;
- dividend income is recognised when our Company's right to receive dividend is established;
- VSAT connectivity income is accrued over the expected period of providing connectivity service;
- insurance claim is recognised on admittance basis; and
- interest income is recognised on accrual basis.

Foreign Exchange Transactions

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are given effect to. Exchange differences arising on settlement of foreign exchange transactions are recognised in the profit and loss account. Monetary items (other than those related to the acquisition of fixed assets from a country outside India) denominated in foreign currency are restated using the exchange rate prevailing at the date of the balance sheet and the resulting net exchange difference is recognised in the profit and loss account. The exchange gain or loss arising on restatement of foreign currency liability relating to fixed assets acquired from a country other than India, is adjusted in the value of the related fixed assets.

Employee Benefits

Gratuity

Our Company's gratuity scheme is a defined benefit plan. Our Company's net obligation for the gratuity scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, discounted to present value by using the projected unit credit method on estimated future cash flows. The discount rates are based on the market yield on government securities as of the balance sheet date.

Actuarial gains and losses are recognized immediately in the profit and loss account.

Leave Encashment

Leave pay is actuarially determined based on the employee compensation rates for the eligible unavailed leave balance standing to the credit of the employees at the year end.

Provident Fund

Our Company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the profit and loss account.

Investments

Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of our management.

Income Taxes

Income taxes are accounted for in accordance with Accounting Standard 22 – 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. Tax expense comprises both current tax and deferred tax. Deferred tax assets and liabilities are recognised for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of being reversed in one or more subsequent periods and are measured at substantively enacted tax rates. At each balance sheet date, we reassess unrealised deferred tax assets, to the extent they become reasonably certain or virtually certain of realisation, as the case may be.

Operating Leases

Assets taken on lease under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on a straight line basis in accordance 'Accounting Standard 19' – Leases.

Provisional and Contingent Liabilities

We create a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Results of Operations

Income

We derive our income primarily from:

- transaction fees;
- annual subscription fees;
- member admission fees;
- terminal charges;
- content development or know-how fees;
- IT enabled or software related services; and
- other income consisting of income from investments and interest income from bank deposits, VSAT connectivity charges, dividends from investments, interest income and other miscellaneous income.

The following table sets forth a summary of selected information on the breakdown of our income, expressed as a percentage of our total income, for the periods indicated:

	Fiscal						Nine Months Ended December 31, 2011	
	2009*		2010**		2011			
	(₹ in millions, except percentages)							
Transaction fees	1,860.96	50.9%	2,640.80	53.5%	3,495.40	78.1%	3,868.19	81.5%
Membership admission fees	105.21	2.9%	69.64	1.4%	35.14	0.8%	41.36	0.9%
Annual subscription fees	135.94	3.7%	136.20	2.8%	134.74	3.0%	98.81	2.1%
Terminal charges	22.37	0.6%	27.18	0.5%	23.64	0.5%	14.97	0.3%
Other Income	1,533.96	41.9%	2,063.19	41.8%	786.68	17.6%	721.69	15.2%
Total income	**3,658.44**	**100.0%**	**4,937.01**	**100.0%**	**4,475.60**	**100.0%**	**4,745.02**	**100.0%**

* The total income for fiscal 2009 includes non-recurring income arising out of profit from sale of shares in DGCX aggregating ₹ 727.89 million.

** The total income for fiscal 2010 includes non-recurring income arising out of profit from sale of shares in MCX-SX aggregating ₹ 1,369.12 million.

Transaction Fees. Transaction fees consist of fees we charge our members for the execution of trades. Both buyers and sellers are required to pay the transaction fees. The fee charged to a member is based on the average daily turnover generated by that member in the previous month. The following table shows our transaction fees rates with effect from November 1, 2009:

Average Daily turnover	Transaction fee rates
Up to ₹ 2.5 billion	₹2.5 per ₹ 100,000 of turnover
On incremental turnover above ₹ 2.5 billion up to ₹ 10.0 billion	₹1.25 per ₹ 100,000 of turnover
On incremental turnover above ₹ 10.0 billion	₹1.00 per ₹ 100,000 of turnover

We calculate the average daily turnover for all commodity futures contracts traded by our members on our Exchange at the end of each month by dividing the total turnover for each member during that month by the total number of trading days during that month. We collect transaction fees by debiting our members' settlement accounts during the first week of the month following the month for which transaction fees were calculated.

Income from our transaction fees is calculated as a percentage of the value of contracts traded on our Exchange, which is, in turn, related to the volume of contracts traded on our Exchange. While transaction fee rates are established by us, trading volume is primarily influenced by factors outside our control.

Income from transaction fees accounts for an increasingly large part of our income. In the fiscals 2009, 2010 and 2011 and for the nine months ended December 31, 2011, transaction fees accounted for 50.9%, 53.5%, 78.1% and 81.5%, respectively of our total consolidated income.

Generally, we have experienced growth in the overall value of contracts traded on our Exchange since we began our operations in November 2003. For the fiscals 2008, 2009, 2010 and 2011 and the nine months ended December 31, 2011, the total turnover or value of contracts traded on our Exchange calculated on a per-side basis, was ₹ 31,259.59 billion, ₹ 45,880.95 billion, ₹ 63,933.03 billion, ₹ 98,415.03 billion and ₹ 119,806.89 billion, respectively. Recent growth in the value of contracts traded on our Exchange is largely attributable to growth in the trading volume of key commodities traded on our Exchange such as gold, silver, base metals and crude oil, the introduction of new commodity futures contracts on our Exchange, increased liquidity in the commodities market and the expansion of our market as well as the resulting increase in our membership base.

The following table presents information on the value of contracts traded on our Exchange for Silver, gold, crude oil and copper, the top four commodities traded on our Exchange, and other commodities:

	Fiscal 2009		**Fiscal 2010**		**Fiscal 2011**		**Nine Months Ended December 31, 2011**	
	Value (₹ in billion)	**%**	**Value (₹ in billion)**	**%**	**Value (₹ in billion)**	**%**	**Value (₹ in billion)**	**%**
Gold	21,110.25	46.0%	19,222.07	30.1%	24,692.46	25.1%	32,955.63	27.5%
Silver	8,271.60	18.0%	11,417.07	17.9%	27,000.17	27.4%	45,742.71	38.2%
Crude Oil	9,710.27	21.2%	12,190.46	19.1%	17,642.65	17.9%	18,992.79	15.9%
Copper	3,958.61	8.6%	9,034.09	14.1%	11,450.75	11.6%	10,584.88	8.8%
Other Products	2,830.22	6.2%	12,069.33	18.9%	17,629.00	17.9%	11,530.88	9.6%
Total Value	**45,880.95**	**100%**	**63,933.02**	**100%**	**98,415.03**	**100%**	**119,806.89**	**100%**

Membership Admission Fees. Membership admission fees consist of non-refundable, one-time charges which we collect from our members at the time of registration. The amount of fees charged varies according to the type of membership. Our members are classified into the following four general categories:

- Trading members ("TMs") are persons who have been admitted as such, and have rights to trade on their own account as well as on account of their clients. However, TMs have no right to clear and settle such trades. All TMs must be affiliated with any one of the institutional trading-cum-clearing members or professional clearing members having clearing rights on our Exchange;

- Trading-cum-clearing members ("TCMs") are entitled to trade on their own account as well as on account of their clients. TCMs can also clear and settle these trades themselves. TCMs are divided into two sub-categories: non-deposit based members and deposit-based members;

- Institutional trading cum clearing members ("ITCMs") are entitled to trade on their own account as well as on account of their clients, clear and settle trades executed by themselves as well as of trading members and TCMs of our Exchange; and

- Professional clearing members ("PCM") are entitled to only clear and settle trades executed by TCMs or TMs of our Exchange.

We have, from time to time, increased the amount of admission fees we charge our members. The following table indicates the current admission fees we charge our TCMs, ITCMs and PCMs:

	Admission Fee Rates*
	(₹ in thousand)
TCM (Non-Deposit Based)	2,500
TCM (Deposit Based)	1,000
ITCM	2,500
PCM	1,000

** In effect since September 1, 2008.*

The following table indicates the current admission fees we charge our TMs:

	Admission Fee Rates for TMs*
	(₹ in thousand)
TM	750

** In effect since July 27, 2007. We introduced a special scheme under which ₹500,000 was collected as admission fee from new trading members who joined between January 29, 2008 and May 31, 2008 and between December 24, 2008 and March 31, 2009. We also had a special arrangement with a trading association under which we offered trading membership with limited trading rights to their members at ₹51,000 as an admission fee.*

The following table sets out our number of members, by category, as of the dates indicated:

	As of March 31,				As of December 31, 2011
Membership Category	**2008**	**2009**	**2010**	**2011**	
TCM (Non-Deposit Based)	1,713	1,732	1,721	1,701	1,686
TCM (Deposit Based)	69	69	67	69	77
ITCM	21	22	24	27	27
PCM	4	4	4	4	4
TM	62	210	254	318	359
Total	**1,869**	**2,037**	**2,070**	**2,119**	2,153

Subscription Fees. Subscription fees consist of annual fees that we charge our members for the continued right to trade on our Exchange. Our TMs are charged a subscription fee of ₹ 10,000, our TCMs a subscription fee of ₹ 75,000 and our ITCMs and PCMs a subscription fee of ₹ 100,000, in accordance with our Exchange's circular dated September 1, 2008. We charge subscription fees at the time of registration of membership, and thereafter annually at the beginning of each fiscal year.

Terminal Charges. We charge customers terminal charges for the allotment of membership identification numbers ("trading IDs") that enable customers to connect to our electronic trading platform. We charge our members ₹ 1,000 to ₹ 1,500 per month for each additional trading ID above the three trading IDs assigned for each VSAT or above seven trading IDs assigned for each leased line. Alternatively, in lieu of monthly terminal charges, members may pay a sum of ₹ 10,000 in advance, which entitles them to connect to our Exchange for a period of 12 months.

Other Income

Income from Investments and Bank Deposits. In accordance with the guidelines of our investment committee, we invest all of our surplus cash, including internal accruals and funds deposited by members of the Exchange, in a variety of investment instruments including short-term and long-term mutual funds and interest-bearing bank accounts. Our internal policy requires that all of the investment decisions be approved by our Investment Committee. Income from our investments depends in part on the amount of margin money we collect from members on their open interest positions on our Exchange. We invest this margin money in and receive interest income from mutual fund schemes and bank deposits approved by our Investment Committee.

VSAT Connectivity Income. VSAT connectivity income represents the amount we appropriate each year from the non-refundable VSAT deposit fees paid by our members in connection with VSAT installation at the members' sites. Once a VSAT is installed at a member's location, it cannot be surrendered to us. In the event that a member surrenders membership, the VSAT equipment will be transferred to the member at its depreciated value, which we calculate in accordance with a method determined by us. We calculate the VSAT's depreciated value by amortising the VSAT deposit fees over a period of five years to match the five year depreciation period of the VSAT equipment and record the amount equal to the depreciation of the VSAT equipment as income**.**

Miscellaneous Income. Miscellaneous income comprises primarily penalty charges imposed on our members for compliance-related defaults. Miscellaneous income also includes certain warehouse charges, information vending charges, rental income and fees collected in connection with our certification programmes.

Expenditure

The components of our expenses include staff costs, depreciation and amortization, interest and administrative and other operating expenses.

Staff Costs. Staff costs include employee salaries, bonuses, mandatory contributions to employee provident funds, retirement benefits and staff welfare expenses such as food and travel allowances and medical expenses. The following table indicates our number of employees as of the dates indicated:

	As of March 31,				As of December 31, 2011
	2008	**2009**	**2010**	**2011**	
Number of Employees	450	363	341	333	242

Depreciation and Amortization. Depreciation and amortization expense results primarily from the amortization of leasehold improvements and software licences as well as depreciation of fixed assets such as furniture, office equipment and computer hardware, networking equipment and vehicles.

Interest. Interest includes interest paid on delayed tax payments and on overdraft facilities availed, if any. As of December 31, 2011, our outstanding borrowings was nil.

Administrative and Other Operating Expenses. Our administrative and other operating expenses includes the following:

- software support charges and repairs and maintenance costs;
- rent and service charges;
- legal and professional charges;
- advertisement expenses;
- business promotion and development expenses;
- license fees;
- shared business support charges;
- sponsorship and seminar expenses;
- warehouse facility charges;
- travelling and conveyance expenses;

- communication expenses; and
- miscellaneous expenses.

Software Support Charges and Repairs and Maintenance. These expenses were primarily incurred towards the support and maintenance services of our electronic trading platform.

Rent and Service Charges. Rent and leased service charges comprises costs incurred in connection with our offices in Mumbai, Delhi, and Bangalore.

Legal and Professional Charges. Legal and professional charges consist of costs incurred for legal and financial professionals services availed.

Advertisement Expenses. Advertisement expenses comprises primarily media, print and other advertising expenses to create corporate visibility and investor awareness.

Business Promotion and Development Expenses. Business promotion expense and development expenses comprises primarily of expenses incurred to introduce new products as well as to promote our existing products and services.

Sponsorship and Seminar Expenses. Sponsorship and seminar expenses are incurred with respect to marketing and promotional activities, such as seminars for introducing new products and promoting our existing products and services.

Travelling and Conveyance Expenses. Travelling and conveyance expenses consist of costs incurred in connection with travelling for business purposes.

Communication Expenses. Communication expenses consists of costs incurred with respect to telephone, leased lines and Internet charges.

Licence Fees. We have entered into license agreements with certain international exchanges for the use of core product settlement prices quoted on these international exchanges as benchmarks for settling commodity futures contracts on our Exchange in Indian Rupees. Licence fees relate to fees paid by us under such agreements and are typically linked to the trading value of such commodity futures contracts traded on our Exchange.

Warehousing Facility Charges. Warehouse facility charges consists of charges paid towards warehousing and other related facilities for the storage of physical stocks of commodities traded on our Exchange.

Miscellaneous operating expenses. Miscellaneous operating expenses consist of printing and stationery expenses, insurance premiums, software license fees, rent paid for warehouse space, employee recruitment and training expenses, security expense, auditors' remuneration, directors' sitting fees, board meeting expenses, books and periodicals and other general expenses.

Provision for Tax

Current tax. Current tax is the provision for income tax liability on the profits for the applicable financial period in accordance with applicable tax law.

Deferred tax. Deferred tax arises from timing differences between book profits and taxable profits that originate in one period. Deferred tax is capable of being reversed in one or more subsequent periods and is measured using tax rates and laws that have been enacted or subsequently enacted as of the date of the balance sheet.

Other Details

The volume and value of commodity futures contracts traded on our Exchange for last four fiscals and the nine months ended December 31, 2011 are as follows:

As of	**Volume of Contracts (No. in million)**	**Turnover (₹ in million)**

As of	Volume of Contracts (No. in million)	Turnover (₹ in million)
March 31, 2008	72.54	31,259,591
March 31, 2009	111.86	45,880,946
March 31, 2010	164.03	63,933,025
March 31, 2011	212.80	98,415,030
December 31, 2011	288.70	119,806,891

The number of members and terminals on our Exchange for last four fiscals and the nine months ended December 31, 2011 are as follows:

As of	Number of Members	Number of Terminals
March 31, 2008	1,869	50,754
March 31, 2009	2,037	82,703
March 31, 2010	2,070	117,124
March 31, 2011	2,119	194,400
December 31, 2011	2,153	296,896

The volatility of different commodity segments on our Exchange for the last four fiscals and the nine months ended December 31, 2011 is shown in the following table:

MCX Commodity Indices - Annualised Volatility in %				
	MCX COMDEX	MCX METAL	MCX AGRI	MCX ENERGY
Fiscal 2008	15.4%	19.6%	12.8%	23.3%
Fiscal 2009	27.9%	26.3%	8.9%	44.9%
Fiscal 2010	16.5%	16.7%	15.3%	27.3%
Fiscal 2011	12.3%	13.4%	18.9%	20.2%
Nine Months Ended December 31, 2011	17.8%	22.5%	14.1%	26.8%
Formula: (Average daily volatility) x SQRT (300 i.e. approximate number of trading days in a year)				

Our Restated Consolidated Profit and Loss Statements

The following table sets forth, for the periods indicated, items from our restated consolidated profit and loss statements, in each case also stated as a percentage of total income:

PARTICULARS	Fiscal						Nine Months Ended December 31, 2011	
	2009		2010		2011			
	(₹ in million)							
Income:		%		%		%		%
Transaction Fees	1,860.96	50.9	2,640.80	53.5	3,495.40	78.1	3,868.19	81.5
Membership Admission Fees	105.21	2.9	69.64	1.4	35.14	0.8	41.36	0.9
Annual Subscription Fees	135.94	3.7	136.20	2.8	134.74	3.0	98.81	2.1
Terminal Charges	22.37	0.6	27.18	0.5	23.64	0.5	14.97	0.3
Other Income	1,533.96	41.9	2,063.19	41.8	786.68	17.6	721.69	15.2
Total Income	**3,658.44**	**100.0%**	**4,937.01**	**100.0%**	**4,475.60**	**100.0%**	**4,745.02**	**100.0%**
Expenditure:								
Staff Costs	254.34	7.0	217.50	4.4	264.31	5.9	201.35	4.2
Administration and Other Operating Expenses:								
Software Support Charges	314.07	8.6	382.42	7.7	543.08	12.1	577.7	12.2

PARTICULARS	Fiscal						Nine Months Ended December 31, 2011	
	2009		2010		2011			
	(₹ in million)							
Repairs & Maintenance	14.87	0.4	13.40	0.3	19.87	0.4	24.7	0.5
Rent and Service Charges	80.51	2.2	37.32	0.8	31.35	0.7	17.78	0.4
Advertisement Expenses	34.43	0.9	80.60	1.6	157.24	3.5	106.23	2.2
Business Promotion / Development Expenses	13.97	0.4	66.85	1.4	21.86	0.5	11.11	0.2
Sponsorship and Seminar Expenses	22.44	0.6	42.40	0.9	60.46	1.4	47.58	1.0
Travelling and Conveyance	28.31	0.8	16.08	0.3	14.59	0.3	14.55	0.3
Communication Expenses	34.93	1.0	53.67	1.1	65.91	1.5	54.63	1.2
Legal and Professional Charges	66.04	1.8	93.59	1.9	100.87	2.3	95.86	2.0
License Fees	54.17	1.5	82.93	1.7	107.06	2.4	80.85	1.7
Warehousing Facility Charges	99.97	2.7	51.37	1.0	91.68	2.1	15.90	0.3
Pre-operative Expenses	6.06	0.2	-	-	-	-	-	-
Other Operating Expenses	336.31	9.2	320.14	6.5	293.03	6.6	169.93	3.6
Depreciation / Amortization	199.56	5.5	247.43	5.0	246.59	5.5	204.39	4.3
Interest	1.79	0.1	0.40	-	0.2	-	0.02	-
Total Expenditure	**1,561.77**	**42.7%**	**1,706.10**	**34.6%**	**2,018.10**	**45.1%**	**1,622.58**	**34.2%**
Net Profit Before Tax	**2,096.67**	**57.3%**	**3,230.91**	**65.4%**	**2,457.50**	**54.9%**	**3,122.44**	**65.8%**
Provision for Tax	522.48	14.3	1,023.65	20.7	726.53	16.2	917.1	19.3
Net Profit After Tax Before Share of Profit of Associate	**1,574.19**	**43.0%**	**2,207.26**	**44.7%**	**1,730.97**	**38.7%**	**2,205.34**	**46.5%**
Impact of Prior Period Adjustments	13.82	0.4	(2.14)	-	29.17	0.7	(27.19)	(0.6)
Add : Share of Profits of Associate	0.37	-	2.96	0.1	2.59	0.1	1.37	-
Net Profit, Restated	**1,588.38**	**43.4%**	**2,208.08**	**44.7%**	**1,762.73**	**39.4%**	**2,179.52**	**45.9%**

Nine months ended December 31, 2011

Income

Total income was ₹ 4,745.02 million for the nine months ended December 31, 2011.

Transaction Fees. Transaction fees were ₹ 3,868.19 million for the nine months ended December 31, 2011 primarily as a result of high total turnover during such period.

Membership Admission Fees. Membership admission fees were ₹ 41.36 million for the nine months ended December 31, 2011 and reflected growth in the number of new members added during this period.

Annual Subscription Fees. Annual subscription fees were ₹ 98.81 million for the nine months ended December 31, 2011.

Terminal Charges. Terminal charges were ₹ 14.97 million for the nine months ended December 31, 2011.

Other Income

Our other income was ₹ 721.69 million for the nine months ended December 31, 2011 and primarily included the following:

- *Dividends from Current Investments*. Our dividends from current investments were ₹ 308.71 million for the nine months ended December 31, 2011; and

- *Interest on Bank Deposits*. Our interest on bank deposits was ₹ 136.15 million for the nine months ended December 31, 2011.

Expenditure

Total expenditure was ₹ 1,622.58 million, or 34.2% of our total income, for the nine months ended December 31, 2011.

Staff Costs. Staff costs were ₹ 201.35 million, or 12.4% of our total expenditure, for the nine months ended December 31, 2011. The number of our employees as of December 31, 2011 was 242.

Software Support Charges. Software support charges were ₹ 577.70 million, or 35.6% of our total expenditure, for the nine months ended December 31, 2011. Software support charges reflected growth in transaction fees arising out of corresponding growth in the turnover value for the nine months ended December 31, 2011.

Repairs and Maintenance. Repairs and maintenance was ₹ 24.70 million, or 1.5% of our total expenditure, for the nine months ended December 31, 2011.

Rent and Service Charges. Rent and service charges were ₹ 17.78 million, or 1.1% of our total expenditure, for the nine months ended December 31, 2011. We achieved cost savings after we moved our corporate office from various leased premises to our current premises at Exchange Square, which is owned by us.

Advertisement Expenses. Advertisement expenses were ₹ 106.23 million, or 6.5% of our total expenditure, for the nine months ended December 31, 2011 reflecting less spending on advertisements.

Business Promotion and Development Expenses. Business promotion and development expenses were ₹ 11.11 million, or 0.7% of our total expenditure, for the nine months ended December 31, 2011.

Sponsorship and Seminar Expenses. Sponsorship and seminar expenses were ₹ 47.58 million, or 2.9% of our total expenditure, for the nine months ended December 31, 2011.

Travelling and Conveyance. Travelling and conveyance was ₹ 14.55 million, or 0.9% of our total expenditure, for the nine months ended December 31, 2011.

Communication Expenses. Communication expenses were ₹ 54.63 million, or 3.4% of our total expenditure, for the nine months ended December 31, 2011 and reflected an increase in expenses we incurred for telephone, leased lines and connectivity charges incurred in line with the growth in our business.

Legal and Professional Charges. Legal and professional charges were ₹ 95.86 million, or 5.9% of our total expenditure, for the nine months ended December 31, 2011.

License Fees. License fees were ₹ 80.85 million, or 5.0% of our total expenditure, for the nine months ended December 31, 2011. Our license fees were in line with the increase in the turnover on our Exchange.

Warehousing Facility Charges. Warehousing facility charges were ₹ 15.90 million, or 1.0% of our total expenditure, for the nine months ended December 31, 2011.

Other Operating Expenses. Our other operating expense was ₹ 169.93 million, or 10.5% of our total expenditure, for the nine months ended December 31, 2011 and primarily reflected a reduction in expenses such as shared business support charges, and software licence fees.

Depreciation and Amortization. Depreciation and amortization expenses was ₹ 204.39 million, or 12.6% of our total expenditure, for the nine months ended December 31, 2011 and reflected growth in charges with respect to our computer software, office equipment, additional networking equipment, computer hardware and furniture and fixture.

Interest. Interest charges were ₹ 0.02 million for the nine months ended December 31, 2011.

Net Profit before Tax

For the reasons mentioned above, our net profit before tax was ₹ 3,122.44 million for the nine months ended December 31, 2011.

Provision for Tax

Our provision for tax was ₹ 917.10 million for the nine months ended December 31, 2011.

Net Profit, as Restated

For the reasons mentioned above, our profit after tax, as restated, was ₹ 2,179.52 million for the nine months ended December 31, 2011.

Fiscal 2011 Compared to the Fiscal 2010

Income

Total income decreased by 9.4% to ₹ 4,475.60 million for the fiscal 2011 from ₹ 4,937.01 million for the fiscal 2010. Our total income for the fiscal 2010 included non-recurring income of ₹ 1,369.12 million on the sale of equity shares of MCX-SX during that period, which was partially offset by an increase in transaction fee income for the fiscal 2011.

Transaction Fees. Transaction fees increased by 32.4% to ₹ 3,495.40 million for the fiscal 2011 from ₹ 2,640.80 million for the fiscal 2010. This increase was primarily attributable to a 53.9% increase in total turnover during the fiscal 2011 as compared to the fiscal 2010. We also revised our transaction fee structure with effect from November 1, 2009. For more details see "—Income—Transaction Fees" above.

Membership Admission Fees. Membership admission fees decreased by 49.5% to ₹ 35.14 million for the fiscal 2011 from ₹ 69.64 million for the fiscal 2010, primarily because of a increase in the number of new members added in member categories with lower fees during that period.

Annual Subscription Fees. Annual subscription fees decreased marginally by 1.1% to ₹ 134.74 million for the fiscal 2011 from ₹ 136.20 million for the fiscal 2010.

Terminal Charges. Terminal charges decreased by 13.0% to ₹ 23.64 million for the fiscal 2011 from ₹ 27.18 million for the fiscal 2010, primarily due to an increase in the number of free usernames we provided to members as a result of an upgrade in our infrastructure pursuant to an exchange circular.

Other Income

Our other income decreased by 61.9% to ₹ 786.68 million for the fiscal 2011 from ₹ 2,063.19 million for the fiscal 2010, primarily affected by the following:

- *Income from Investments and Bank Deposits*. Our income from investments and bank deposits decreased by 70.3% to ₹ 542.30 million for the fiscal 2011 from ₹ 1,824.91 million for the fiscal 2010, primarily due to non-recurring income of ₹ 1,369.12 million on the sale of equity shares of MCX-SX during the fiscal 2010; and

- *VSAT Connectivity Income*. VSAT connectivity income decreased by 34.7% to ₹ 40.95 million for the fiscal 2011 from ₹ 62.74 million for the fiscal 2010.

Expenditure

Total expenditure increased by 18.3% to ₹ 2,018.10 million for the fiscal 2011 from ₹ 1,706.10 million for the fiscal 2010, primarily because of increases in software support charges and costs relating to advertisement, sponsorships activities and communications.

We have not included a comparison of the expenditure line items as a percentage of total income for the fiscal 2011 against the fiscal 2010 because our total income for the fiscal 2010 included non-recurring income of ₹ 1,369.12 million attributable to the profit from the sale of equity shares of MCX-SX during this period.

Staff Costs. Staff costs increased by 21.5% to ₹ 264.31 million for the fiscal 2011 from ₹ 217.50 million for the fiscal 2010, primarily due to an increase in average salary paid to employees, which was partially offset by a decrease in the number of our employees to 333 as of March 31, 2011 from 341 as of March 31, 2011.

Software Support Charges. Software support charges increased by 42.0% to ₹ 543.08 million for the fiscal 2011 from ₹ 382.42 million for the fiscal 2010. This increase was primarily due to the increase in transaction fees arising out of a corresponding increase in the turnover value for the fiscal 2011.

Repairs and Maintenance. Repairs and maintenance increased by 48.2% to ₹ 19.87 million for the fiscal 2011 from ₹ 13.40 million for the fiscal 2010.

Rent and Service Charges. Rent and service charges decreased by 16.0% to ₹ 31.35 million for the fiscal 2011 from ₹ 37.32 million for the fiscal 2010.

Advertisement Expenses. Advertisement expenses increased by 95.1% to ₹ 157.24 million for the fiscal 2011 from ₹ 80.6 million for the fiscal 2010. This increase was primarily due to the higher expenses we incurred on corporate branding campaigns and investor awareness.

Business Promotion and Development Expenses. Business promotion and development expenses decreased by 67.3% to ₹ 21.86 million for the fiscal 2011 from ₹ 66.85 million for the fiscal 2010. This decrease was primarily due to an increase in business promotion activities we undertook during the fiscal 2010.

Sponsorship and Seminar Expenses. Sponsorship and seminar expenses increased by 42.6% to ₹ 60.46 million for the fiscal 2011 from ₹ 42.4 million for the fiscal 2010.

Travelling and Conveyance. Travelling and conveyance decreased by 9.3% to ₹ 14.59 million for the fiscal 2011 from ₹ 16.08 million for the fiscal 2010.

Communication Expenses. Communication expenses increased by 22.8% to ₹ 65.91 million for the fiscal 2011 from ₹ 53.67 million for the fiscal 2010. This increase was primarily due to increases in expenses we incurred for telephone, leased lines and connectivity charges incurred in line with the growth in our business.

Legal and Professional Charges. Legal and professional charges increased by 7.8% to ₹ 100.87 million for the fiscal 2011 from ₹ 93.59 million for the fiscal 2010. This increase was in line with the growth in our business during the fiscal 2011.

License Fees. License fees increased by 29.1% to ₹ 107.06 million for the fiscal 2011 from ₹ 82.93 million for the fiscal 2010. This increase in license fees was in line with the increase in the turnover on our Exchange.

Warehousing Facility Charges. Warehousing facility charges increased by 78.5% to ₹ 91.68 million for the fiscal 2011 from ₹ 51.37 million for the fiscal 2010.

Other Operating Expenses. Our other operating expenses decreased by 8.5% to ₹ 293.03 million for the fiscal 2011 from ₹ 320.14 million for the fiscal 2010. This decrease was primarily due to decreases in expenses such as outsourced service charges, electricity and software licence fees.

Depreciation and Amortization. Depreciation and amortization expenses decreased marginally by 0.3% to ₹ 246.59 million for the fiscal 2011 from ₹ 247.43 million for the fiscal 2010.

Interest. Interest decreased by 50.0% to ₹ 0.20 million for the fiscal 2011 from ₹ 0.40 million for the fiscal 2010.

Net Profit before Tax

For the reasons mentioned above, our net profit before tax decreased by 23.9% to ₹ 2,457.50 million for the fiscal 2011 from ₹ 3,230.91 million for the fiscal 2010. If non-recurring income of ₹ 1,369.12 million attributable to the profit from the sale of equity shares of MCX-SX during the fiscal 2010 is excluded, our net profit before tax increased by 32.0% to ₹ 2,457.50 million for the fiscal 2011 from ₹ 1,861.79 million for the fiscal 2010.

Provision for Tax

Our provision for tax decreased by 29.0% to ₹ 726.53 million for the fiscal 2011 from ₹ 1,023.65 million for the fiscal 2010.

Net Profit, as Restated

For the reasons mentioned above, our net profit after tax, as restated, decreased to ₹ 1,762.73 million for the fiscal 2011 from ₹ 2,208.08 million for the fiscal 2010. If non-recurring income after tax of ₹ 909.12 million attributable to the profit from the sale of equity shares of MCX-SX during the fiscal 2010 is excluded, our net profit after tax, as restated, increased by 35.7% to ₹ 1,762.73 million for the fiscal 2011 from ₹ 1,298.96 million for the fiscal 2010. Our net profit for the fiscal 2010 was adjusted in accordance with SEBI ICDR Regulations. For further details, see "Prior Period Adjustments" in Annexure IV Note II(2) to the restated consolidated financial statements included in this Red Herring Prospectus.

Fiscal 2010 Compared to the Fiscal 2009

Income

Total income increased by 35.0% to ₹ 4,937.01 million for the fiscal 2010 from ₹ 3,658.44 million for the fiscal 2009. The increase in total income was primarily attributable to non-recurring income of ₹ 1,369.12 million on the sale of equity shares of MCX-SX during the fiscal 2010 and increases in income from transaction fees and income from investments, which was partially offset by non-recurring income of ₹ 727.89 million on the sale of equity shares of DGCX during the fiscal 2009.

Transaction Fees. Transaction fees increased by 41.9% to ₹ 2,640.80 million for the fiscal 2010 from ₹ 1,860.96 million for the fiscal 2009. This increase was primarily attributable to a 39.4% increase in total turnover for the fiscal 2010 as compared to the fiscal 2009. We also revised our transaction fee structure with effect from November 1, 2009. For more details see "—Income—Transaction Fees" above.

Membership Admission Fees. Membership admission fees decreased by 33.8% to ₹ 69.64 million for the fiscal 2010 from ₹ 105.21 million for the fiscal 2009. This was due to the decreased number of new members which was 33 for the fiscal 2010 as compared to 168 for the fiscal 2009 as a result of the overall slowdown in the global economy.

Annual Subscription Fees. Annual subscription fees increased marginally by 0.2% to ₹ 136.20 million for the fiscal 2010 from ₹ 135.94 million for the fiscal 2009. This increase was due to the increase in the membership to 2,070 as of March 31, 2010 from 2,037 as of March 31, 2009.

Terminal Charges. Terminal charges increased by 21.5% to ₹ 27.18 million for the fiscal 2010 from ₹ 22.37 million for the fiscal 2009. The total number of terminals increased to 9,811 as of March 31, 2010 from 7,949 as of March 31, 2009.

Other Income

Our other income increased by 34.5% to ₹ 2,063.19 million for the fiscal 2010 from ₹ 1,533.96 million for the fiscal 2009, primarily affected by the following:

- *Income from investments and bank deposits*. Our income from investments and bank deposits increased by 37.9% to ₹ 1,824.91 million for the fiscal 2010 from ₹ 1,323.81 million for the fiscal 2009. This increase was primarily due to non-recurring income of ₹ 1,369.12 million on the sale of equity shares of MCX-SX during the fiscal 2010, which was partially off-set by a one-time profit of ₹ 727.89 million on the sale of equity shares of DGCX during the fiscal 2009; and

- *VSAT Connectivity Income*. VSAT connectivity income decreased by 8.0% to ₹ 62.74 million for the fiscal 2010 from ₹ 68.22 million for the fiscal 2009.

Expenditure

Total expenditure increased by 9.2% to ₹ 1,706.10 million for the fiscal 2010 from ₹ 1,561.77 million for the fiscal 2009 primarily because of increases in software support charges and costs relating to advertisement, sponsorships and business promotion activities.

Staff costs. Staff costs decreased by 14.5% to ₹ 217.50 million for the fiscal 2010 from ₹ 254.34 million for the fiscal 2009. This decrease was primarily due to a decrease in the number of our employees to 341 as of March 31, 2010 from 363 as of March 31, 2009. As a percentage of our total income, staff costs decreased to 4.4% for the fiscal 2010 from 7.0% for the fiscal 2009.

Software Support Charges. Software support charges increased by 21.8% to ₹ 382.42 million for the fiscal 2010 from ₹ 314.07 million for the fiscal 2009. This increase was primarily due to a corresponding increase in the number of transactions during the fiscal 2010. As a percentage of our total income, these expenses decreased to 7.7% for the fiscal 2010 from 8.6% for the fiscal 2009.

Repairs and Maintenance. Repairs and maintenance decreased by 9.8% to ₹ 13.40 million for the fiscal 2010 from ₹ 14.87 million for the fiscal 2009. As a percentage of our total income, these expenses decreased to 0.3% for the fiscal 2010 from 0.4% for the fiscal 2009.

Rent and Service Charges. Rent and service charges decreased by 53.6% to ₹ 37.32 million for the fiscal 2010 from ₹ 80.51 million for the fiscal 2009. This was due to cost savings achieved after we moved our corporate office from various leased premises to our current premises at 'Exchange Square', which is owned by us. As a percentage of our total income, this expense decreased to 0.8% for the fiscal 2010 from 2.2% for the fiscal 2009.

Advertisement Expenses. Advertisement expenses increased to ₹ 80.60 million for the fiscal 2010 from ₹ 34.43 million for the fiscal 2009. This increase was primarily due to the higher expenses we incurred on corporate branding campaigns, investor awareness and certification programs. As a percentage of our total income, this expense increased to 1.6% for the fiscal 2010 from 0.9% for the fiscal 2009.

Business Promotion and Development Expenses. Business promotion and development expenses increased to ₹ 66.85 million for the fiscal 2010 from ₹ 13.97 million for the fiscal 2009. This increase was primarily due to increased business promotion activities we undertook during the fiscal 2010. As a percentage of our total income, this expense increased to 1.4% for the fiscal 2010 from 0.4% for the fiscal 2009.

Sponsorship and Seminar Expenses. Sponsorship and seminar expenses increased by 89.0% to ₹ 42.40 million for the fiscal 2010 from ₹ 22.44 million for the fiscal 2009. As a percentage of our total income, this expense increased to 0.9% for the fiscal 2010 from 0.6% for the fiscal 2009.

Travelling and Conveyance. Travelling and conveyance decreased by 43.2% to ₹ 16.08 million for the fiscal 2010 from ₹ 28.31 million for the fiscal 2009. As a percentage of our total income, this expense decreased to 0.3% for the fiscal 2010 from 0.8% for the fiscal 2009.

Communication Expenses. Communication expense increased by 53.7% to ₹ 53.67 million for the fiscal 2010 from ₹ 34.93 million for the fiscal 2009. This increase was primarily due to increases in expenses we incurred for telephone, leased lines and bandwidth charges incurred in line with the growth in our business. As a percentage of our total income, this expense increased marginally to 1.1% of our total income for the fiscal 2010 from 1.0% for the fiscal 2009.

Legal and Professional Charges. Legal and professional charges increased by 41.7% to ₹ 93.59 million for the fiscal 2010 from ₹ 66.04 million for the fiscal 2009. This increase was in line with the growth in our business during the year. As a percentage of our total income, this expense increased to 1.9% for the fiscal 2010 from 1.8% for the fiscal 2009.

License Fees. Licence fees increased by 53.1% to ₹ 82.93 million for the fiscal 2010 from ₹ 54.17 million for the fiscal 2009. This increase in the licence fees was due to higher turnover on our Exchange. As a percentage of our total income, this expense increased to 1.7% for the fiscal 2010 from 1.5% for the fiscal 2009.

Warehousing Facility Charges. Warehousing facility charges decreased by 48.6% to ₹ 51.37 million for the fiscal 2010 from ₹ 99.97 million in the fiscal 2009. As a percentage of our total income, this expense decreased to 1.0% for the fiscal 2010 from 2.7% for the fiscal 2009.

Other Operating Expenses. Our other operating expenses decreased by 4.8% to ₹ 320.14 million for the fiscal 2010 from ₹ 336.31 million for the fiscal 2009. This was primarily due to decreases in expenses such as shared business support charges, outsourced service charges, printing and stationary and membership and subscription fees. As a percentage of our total income, this expenditure decreased to 6.5% for the fiscal 2010 from 9.2% for the fiscal 2009.

Depreciation and Amortization. Depreciation and amortization expenses increased by 24.0% to ₹ 247.43 million for the fiscal 2010 from ₹ 199.56 million for the fiscal 2009. This increase was due to an increase in charges with respect to our computer software, office equipment, additional networking equipment, computer hardware and furniture and fixture. As a percentage of our total income this expense decreased to 5.0% for the fiscal 2010 from 5.5% for the fiscal 2009.

Interest. Interest decreased to ₹ 0.40 million for the fiscal 2010 from ₹ 1.79 million for the fiscal 2009.

Net Profit before Tax

For the reasons mentioned above, our net profit before tax increased by 54.1% to ₹ 3,230.91 million for the fiscal 2010 from ₹ 2,096.67 million for the fiscal 2009. If non-recurring income of ₹ 1,369.12 million attributable to the profit from the sale of equity shares of MCX-SX during fiscal 2010 and ₹ 727.89 million attributable to the profit from the sale of equity shares of DGCX during fiscal 2009 are excluded, our net profit before tax increased by 36.0% to ₹ 1,861.79 million for the fiscal 2010 from ₹ 1,368.78 million for the fiscal 2009.

Provision for Tax

Our provision for tax increased by 95.9% to ₹ 1,023.65 million for the fiscal 2010 from ₹ 522.48 million for the fiscal 2009. This increase was primarily due to an increase in the provision for current income tax, which increased significantly due to the increase in our taxable income. We had deferred tax expense of ₹ 19.08 million for the fiscal 2010 as compared to a deferred tax expense of ₹ 63.14 million for the fiscal 2009.

Net Profit, as Restated

For the reasons mentioned above, our net profit after tax, as restated, increased by 39.0% to ₹ 2,208.08 million for the fiscal 2010 from ₹ 1,588.38 million for the fiscal 2009. If non-recurring income after tax of ₹ 909.12 million attributable to the profit from the sale of equity shares of MCX-SX during fiscal 2010 and ₹ 571.05 million attributable to the profit from the sale of equity shares of DGCX during fiscal 2009 are excluded, our net profit after tax, as restated, increased by 27.7% to ₹ 1,298.96 million for the fiscal 2010 from ₹ 1,017.33 million for the fiscal 2009. Our net profit for the fiscals 2010 and 2009 was adjusted in accordance with SEBI ICDR Regulations. For further details, see "Impact for Changes in Accounting Policies and Prior Period Adjustments" in Annexure IV Note II(2) to the restated consolidated financial statements included in this Red Herring Prospectus.

Related Party Transactions

See the section titled "Related Party Transactions" on page 245.

Liquidity, Cash Flows and Capital Resources

Liquidity

Our primary liquidity requirements are for the purposes of financing our capital expenditures for expansion purposes. To fund these costs, we have relied primarily on cash flow generated by our operations.

Historically we have not relied on loans and borrowings to fund our capital expenditures. For more details on our current indebtedness, see "Financial Indebtedness" on page 389.

Cash Flows

The table below summarises our cash flows on a restated consolidated basis for the fiscals 2009, 2010 and 2011 and the nine months ended December 31, 2011:

	Fiscal			**Nine Months Ended December 31, 2011**
	2009	**2010**	**2011**	
	(₹ in million)			
Net cash (used in)/ from operating activities	2,853.07	(918.73)	2,699.56	1,637.00
Net cash generated (used in) / from investing activities	(1,370.77)	(122.73)	(2,326.31)	(1,473.29)
Net cash (used in)/ from financing activities	115.88	(238.53)	(238.07)	(295.93)
Net increase in cash and cash equivalents	**1,598.18**	**(1,279.99)**	**135.18**	**(132.22)**

Operating Activities

Net cash generated from operating activities on a consolidated basis for the nine months ended December 31, 2011 was ₹ 1,637.00 million consisting of profit before tax for such period of ₹ 3,122.44 million, as adjusted for, among other things, dividends from investments of ₹ 308.70 million, profit on sale of investments (net) of ₹ 81.61 million and depreciation and amortization of ₹ 204.39 million. Therefore, our operating profit for the nine months ended December 31, 2011 was ₹ 2,800.88 million, which was offset by working capital changes, such as a decrease in trade and other receivables of ₹ 118.56 million, a decrease in trade payables and provisions of ₹ 461.86 million and taxes paid of ₹ 820.58 million.

Net cash generated from operating activities on a consolidated basis in the fiscal 2011 was ₹ 2,699.56 million, consisting of profit before tax for such period of ₹ 2,457.50 million, as adjusted for, among other things, dividends from investments of ₹ 322.72 million, profit on sale of investments (net) of ₹ 56.25 million and depreciation and amortization of ₹ 246.59 million. Therefore, our operating profit for the fiscal 2011 was ₹ 2,165.18 million, which was offset by working capital changes arising out of settlement obligations, such as an increase in trade and other receivables of ₹ 55.57 million, a decrease in trade payables and provisions of ₹ 1,135.69 million and taxes paid of ₹ 545.74 million.

Net cash used in operating activities on a consolidated basis in the fiscal 2010 was ₹ 918.73 million, consisting of profit before tax for such period of ₹ 3,230.91 million, as adjusted for, among other things, dividends from investments of ₹ 144.41 million, profit on sale of investments (net) of ₹ 1,472.58 million and depreciation and amortization of ₹ 247.43 million. Therefore, our operating profit for the fiscal 2010 was ₹ 1,653.86 million, which was offset by working capital changes arising out of settlement obligations, such as an increase in trade and other receivables of ₹ 565.95 million, a decrease in trade payables and provisions of ₹ 1,453.19 million and taxes paid of ₹ 553.45 million.

Net cash generated from operating activities on a consolidated basis in the fiscal 2009 was ₹ 2,853.07 million, consisting of profit before tax for such period of ₹ 2,109.10 million as adjusted for, among other things, dividend from investment of ₹ 260.17 million, profit on sale of investments (net) of ₹ 913.65 million and interest income of ₹ 171.22 million. Therefore, our operating profit in the fiscal 2009 was ₹ 1,040.26 million, which was offset by working capital changes such as an increase in trade and other receivables of ₹ 176.44 million, an increase in trade payables and provisions of ₹ 2,244.78 million and tax paid of ₹ 255.53 million.

Investing Activities

Net cash used in investing activities for the nine months ended December 31, 2011 on a consolidated basis was ₹ 1,473.29 million, which consisted of the purchase of investments of ₹ 105,446.65 million and additions to fixed assets of ₹ 187.41 million, which was adjusted by, among other things, the redemption and sale of investments of ₹ 103,699.36 million, dividends from investments of ₹ 308.70 million, interest received of ₹ 156.84 million and taxes paid of ₹ 8.74 million.

Net cash used in investing activities in the fiscal 2011 on a consolidated basis was ₹ 2,326.31 million, which consisted of the purchase of investments of ₹ 109,268.55 million and additions to fixed assets of ₹ 312.16 million which was adjusted by, among other things, the redemption and sale of investments of ₹ 106,784.10 million, dividends from investments of ₹ 322.72 million, interest received of ₹ 138.74 million and taxes paid of ₹ 17.71 million.

Net cash used in investing activities in the fiscal 2010 on a consolidated basis was ₹ 122.73 million, which consisted of the purchase of investments of ₹ 99,345.62 million and additions to fixed assets of ₹ 96.34 million which was adjusted by, among other things, the redemption and sale of investments of ₹ 99,420.85 million, dividends from investments of ₹ 144.41 million, interest received of ₹ 233.91 million and taxes paid of ₹ 488.95 million.

Net cash used in investing activities on a consolidated basis in the fiscal 2009 was ₹ 1,370.77 million, which consisted of the purchase of investments, mutual fund units and fixed deposits placed with banks of ₹ 110,907.41 million as well as additions to fixed assets of ₹ 757.49 million, as adjusted by, among other things, the redemption and sale of investments of ₹ 110,145.33 million, dividend from investment of ₹ 260.17 million, interest received of ₹ 97.00 million and taxes paid of ₹ 242.15 million.

Financing Activities

Net cash used in financing activities on a consolidated basis for the nine months ended December 31, 2011 was ₹ 295.93 million, primarily consisting of dividends paid (including tax thereon) of ₹ 296.37 million.

Net cash used in financing activities on a consolidated basis in the fiscal 2011 was ₹ 238.07 million, primarily consisting of dividends paid (including tax thereon) of ₹ 237.87 million.

Net cash used in financing activities on a consolidated basis in the fiscal 2010 was ₹ 238.53 million, primarily consisting of dividends paid (including tax thereon) of ₹ 238.60 million.

Net cash generated from financing activities on a consolidated basis in the fiscal 2009 was ₹ 115.88 million, primarily as a result of proceeds from the issue of equity shares of ₹ 15.55 million and securities premium of ₹ 212.58 million, as adjusted for, among other things, dividends paid (including tax thereon) of ₹ 47.43 million and share issue expenses of ₹ 63.03 million.

Capital Expenditure

Capital expenditure represents the additions to our fixed assets plus changes in capital work in progress (i.e., expenses incurred in relation to work in progress but not capitalised) and advance payments on account of capital commitments. Our capital expenditure for the fiscals 2009, 2010, and 2011 and for the nine months ended December 31, 2011 was ₹ 800.28 million, ₹ 83.98 million, ₹ 235.59 million and ₹ 178.85 million, respectively, on a consolidated basis. Such capital expenditure was incurred primarily towards capital investment in building, technology, networking equipment, software and furniture and fixtures.

We expect to finance our capital expenditure primarily through cash flow from our operations as required. We believe these funds will enable us to meet our capital expenditure requirements for the foreseeable future. We may also use a portion of our available cash to invest in business ventures or products that are complementary to our business. Our future liquidity and capital requirements depend on a number of factors, including product development, new business opportunities and the development and maintenance of our technology systems. If capital requirements vary materially from those currently planned, we may require additional financing sooner than anticipated. Any additional equity financing may be dilutive to our stockholders and debt financing, if available, may involve restrictive covenants with respect to dividends, capital raising and other financial and operational matters that could restrict our operations.

Contingent Liabilities and Capital Commitments

The details of our contingent liabilities and capital commitments as of March 31, 2009, 2010 and 2011 and December 31, 2011 are set out below:

	As of March 31,			As of December 31, 2011
	2009	2010	2011	
	(₹ in million)			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	10.59	0.17	2.71	12.90
(b) Contingent liabilities:				
Penalty income payable to investor protection fund	79.91	101.85	142.28	181.14
Claims against the Company not acknowledged as debts	2.91	3.22	3.47	6.75
Income tax demands against which the Company is in appeal (including interest thereon)	21.39	21.39	21.39	16.95
Bank guarantee given	0.16	0.16	-	-

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with standalone entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Employee Stock Options

Currently, we have one employee stock option scheme in force. For more details of this scheme, see "Our Management" on page 194. The impact on the profit after tax of the Company using the fair value method in accordance with the Guidance Note on 'Accounting for employee share based payments' for the fiscals 2009 2010 and 2011 and the nine months ended December 31, 2011 is set out below:

(₹ in million)

Fiscal			Nine Months Ended December 31, 2011
2009	2010	2011	
7.70	5.38	2.46	10.36

Our Company's employee stock option schemes are administered through a trust (the "ESOP Trust"), which subscribes to shares of our Company and holds them until issuance of such shares, based on vesting and exercise of options by our employees. At the time of formation of the ESOP Trust our Company provided an interest bearing loan amounting to ₹ 221.00 million to the ESOP Trust to subscribe to 2,600,000 of our Company's shares at ₹ 85 per share. We have deducted ₹ 13.00 million, being the amount of loan equivalent to the par value of shares subscribed from our share capital account. The balance of the loan amount of ₹ 208.00 million representing the amount of share premium paid for the shares subscribed has been deducted from the share premium account.

The following table sets forth the closing balance of this loan as of the dates indicated:

(₹ in million)

Particulars	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Loan amount				
- Principal Outstanding	221.00	165.29	111.30	40.49
Interest Accrued but not due	10.74	19.27	28.26	31.88
Total	**231.74**	**184.56**	**139.56**	**72.37**
Principal Outstanding reduced from				
- Share Capital	13.00	9.72	6.55	2.38
- Securities Premium	208.00	155.57	104.75	38.11
Total	**221.00**	**165.29**	**111.30**	**40.49**

Investor Protection Fund

During the fiscal 2007, we received guidelines from FMC with respect to our investor protection fund ("IPF"), and directing us to create a trust (the "IPF Trust") by January 1, 2008 to administer IPF. In the interim, we have been directed to keep all the penalties imposed and collected by us for non-compliance (net of recoveries towards administrative expenses) in a separate bank account. We have made several representations to FMC for modifications of these guidelines considering prevalent global practices in this respect and have also requested FMC to allow us to retain all penalties imposed by us for non-compliances. During the current fiscal 2012, FMC issued revised guidelines specifying the formation and operations of IPF Trust at the earliest but no later than March 31, 2012. On receipt of the revised guidelines, we have again represented to FMC that all specific penalties (which are prescribed by FMC) are credited to the IPF (net of administrative expenses). Other penalties imposed specifically by us are credited to the profit and loss account and a contingent liability of the aggregate amount is created and reflected in the table below:

(₹ in million)

	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Contingent liability being amounts credited to profit and loss accounts since April 2008 to date (net of recoveries towards administrative expenses)	79.91	101.85	142.28	181.14
Of the above penalty income credited to the profit and loss account during the year (net of recoveries towards administrative expenses)	26.11	21.93	40.43	38.85

Pending the formation of the IPF Trust, we have placed fixed deposit for the following partial amounts as of the dates indicated:

(₹ in million)

	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Earmarked fixed deposit with banks	49.93	72.57	96.06	112.04

Subsequently, we have also deposited the following outstanding amounts as set out below to bank accounts and placed corresponding fixed deposits against the same as of the dates indicated:

(₹ in million)

	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Earmarked Bank Account	3.00	2.73	4.79	17.52

Settlement Guarantee Fund

During the fiscal 2007, FMC directed that all the monies we have set aside for the settlement guarantee fund ("SGF") is required to be maintained in a separate account. Further, we are required to credit income earned on SGF contributions to SGF, the amount of which is unascertained, and not use it for any purpose other than for meeting the settlement obligations. Accordingly, during the fiscal 2009, we set aside an amount of ₹ 10.00 million towards corpus of the SGF and an amount of ₹ 14.98 million, inclusive of imputed interest on corpus amount from the date of commencement of trading on November 10, 2003 was transferred from our general reserve into the settlement guarantee fund account (the "SGF Account"). In addition, we also appropriated ₹1.24 million from the balance in our profit and loss account, being interest on fixed deposit up to December 31, 2011. As of December 31, 2011, the SGF Account is represented by bank fixed deposits of ₹ 17.29 million plus interest accrued on this amount of ₹ 1.24 million.

We have made various submissions on this subject to FMC. Subsequent to the fiscal 2009 and on a review of international practices followed in this respect, in our submission to FMC, we indicated that settlement guarantee funds are separate and distinct from deposits and margins placed by our members. We are awaiting FMC's decision on this matter. We may have to amend our Exchange's byelaws to comply with FMC's decision. In the meantime, we continue to disclose the amounts we receive from members as current liabilities as set out below and the income (amounts unascertained) earned thereon is credited to our restated consolidated profit and loss account.

(₹ in million)

	March 31,			December 31, 2011
	2009	2010	2011	
Trading Margin from Members (Cash)	5,449.12	4,082.05	5,283.25	4,491.03

Restructuring of Shareholding in MCX-SX

During the fiscal 2008, a portion of our Company's investments in the equity shares of MCX-SX was cancelled pursuant to a composite scheme of reduction cum arrangement (the "Scheme") between MCX-SX and its shareholders, which was sanctioned by the Bombay High Court on March 12, 2010 and registered with the ROC on March 19, 2010. This reduction was undertaken to comply with the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognized Stock Exchanges) Regulations, 2006, which requires that no individual shareholder shall hold more than 5.0% of the share capital of a stock exchange. In terms of the Scheme, 617,135,000 equity shares of MCX-SX of Re. 1 each held by our Company were cancelled for a consideration of ₹ 617,135,000 payable by MCX-SX to our Company. Accordingly, the pre-reduction shareholding of our Company of 644,300,000 equity shares, constituting 37.0% of the share capital of MCX-SX, was reduced by 617,135,000 equity shares. Thus, as of March 31, 2010, our Company held 27,165,000 equity shares in MCX-SX, constituting 5.0% of the share capital of MCX-SX. Under the terms of the Scheme, the consideration payable was adjusted against a non refundable interest free deposit to be paid by our Company towards warrants to be issued by MCX-SX.

Our Company was allotted 617,135,000 warrants by MCX-SX on March 22, 2010 against this interest free deposit payable. Each such warrant entitles its holder to subscribe to one equity share of Re. 1 each of MCX-SX after six months from the date of issue of warrants. The Scheme provides that upon exercise of this option, the proportionate deposit will be adjusted against the money payable in respect of equity shares to be issued and no further amount shall be payable by the warrant holder for the equity shares against the exercise of warrants. The warrants are also freely transferable by endorsement and delivery. The warrants do not carry voting or dividend rights. The Scheme also states that our Company cannot increase, at any point of time, their shareholding beyond permissible limits. For further details, see the section titled "Other Companies" on page 241.

Quantitative and Qualitative Disclosures about Market Risk

Inflation

In recent years, India has not experienced significant inflation, and accordingly inflation has not had any material impact on our business and results from operations. According to the data published by the office of the Economic

Advisor, Ministry of Commerce and Industry, inflation in India was 4.7%, 8.4%, 3.8% and 8.8% in the fiscals 2009, 2010 and 2011, respectively. Any rise in inflation rates in future may adversely affect growth in the Indian economy and our results from operations.

Exchange Rate Risk

Changes in currency exchange rates influence our results from operations. Further, our future capital expenditures may be denominated in currencies other than Indian rupees. Therefore, declines in the value of the Rupee against such other currencies could increase the Rupee cost of servicing our debt and expanding our operations. The exchange rate between the Rupee and the U.S. dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. Although we may enter into hedging arrangements against currency exchange rate risks, there can be no assurance that these arrangements will successfully protect us from losses due to fluctuations in currency exchange rates.

Unusual or infrequent events or transactions

Except as described in this Red Herring Prospectus, there have been no events or transactions which may be described as "unusual" or "infrequent."

Significant economic changes/regulatory changes

We are subject to regulation by FMC and the Ministry of Consumer Affairs, Government of India which regulates the commodities futures industry in India. For further details, see "Risk Factors", "Industry Overview" and "Regulations and Policies" on pages 15, 115 and 162, respectively.

Known trends or uncertainties

Except as described elsewhere in this Red Herring Prospectus, there are no known trends or uncertainties which are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future relationship between costs and income

Except as described elsewhere in this Red Herring Prospectus, there are no known factors which are expected to have a material adverse impact on the operation or finances of our Company.

New product or business segment

Our business strategy includes the development and introduction of new products on our Exchange. For further details, refer to our discussion in the section titled "Our Business" on page 132.

Significant dependence on a single or few suppliers or customers

Our business is significantly dependent on technology licensed from FTIL. For further details, refer to our discussions of the technology licensed from FTIL in "History and Certain Corporate Matters—Agreements with our Promoter" on page 172.

Competitive conditions

We expect competition to intensify from existing and potential new competitors. For further details, see "Risk Factors," "Industry Overview" and "Our Business" on pages 15, 115 and 132, respectively.

Significant Developments after December 31, 2011 that May Affect Our Future Results of Operations

Except as stated below or elsewhere in this Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements contained in this Red Herring Prospectus which materially and adversely affect, or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our Company's indebtedness as of December 31, 2011.

S. No.	Arrangement with Lender	Nature of borrowing	Amount Sanctioned as on December 31, 2011 (In ₹ million)	Interest	Term/Tenure	Repayment	Prepayment	Security
1.	• Sanction letter dated November 27, 2010 from State Bank of India • Overdraft agreement dated November 27, 2010	Overdraft limit against deposit receipts	90.00	1.00% above the special term deposit receipt rate.	One year	On demand	N.A.	Fixed deposits receipts amounting to ₹ 100.00 million
2.	Memorandum relating to charge over fixed deposits/cash deposits dated November 3, 2009 in favour of HDFC Bank Limited	Overdraft limit against deposits	500.00	1.00% p.a. over the fixed deposit rate	One year	On demand	N.A.	Fixed deposit receipts amounting to ₹ 500.0 million
3.	Sanction letter from Union Bank of India dated November 8, 2010	Overdraft limit	217.66	2.00% over the rate applicable to the deposit receipt	March 29, 2011, subject to renewal of fixed deposits	On demand	N.A.	Fixed deposit receipts amounting to ₹ 257.71 million
4.	Sanction letter dated April 6, 2010 from Axis Bank Limited	Overdraft limit against fixed deposit receipts	67.5	10.20% p.a.	April 5, 2011	On demand	N.A.	Fixed deposit receipt amounting to ₹ 75.00 million
5.	Sanction letter dated July 27, 2009 from Kotak Mahindra Bank	Overdraft limit	45.0	Kotak Mahindra Bank's prime lending rate less 3.75% p.a.	Revolving facility subject to renewal of fixed deposits with the bank	On demand	N.A.	Fixed deposit to an extent of 111% of the overdraft.

S. No.	Arrangement with Lender	Nature of borrowing	Amount Sanctioned as on December 31, 2011 (In ₹ million)	Interest	Term/Tenure	Repayment	Prepayment	Security
6.	Sanction letter dated November 22, 2010 from Corporation Bank	Overdraft Limit against fixed deposit receipts	11.30	8.50%	Running account repayable on demand subject to annual renewal	Running account repayable on demand subject to annual renewal	N.A.	Fixed deposit against amount of security of ₹ 12.50 million
7.	Sanction letter from Bank of India dated July 15, 2010	Overdraft Limit against pledge of term deposit	45.00	2% over term deposit receipt (i.e. 8.75% p.a. with monthly interest)	On demand	On demand	N.A.	Against term deposit receipt for ₹ 50 million
8.	Sanction letter dated March 12, 2009 by Yes Bank Limited.	Overdraft against fixed deposit	45.00	1.00% p.a. over the fixed deposit receipt rates	12 months subject to annual review	On demand	N.A.	Fixed deposit receipts amounting to ₹ 50 million
9.	Sanction letter from ICICI Bank Limited	Overdraft against fixed deposit	135.00	2.00% over the interest rate of fixed deposits placed with the bank	One year	On demand	N.A.	Fixed deposit receipts amounting to ₹ 150.00 million
10.	Sanction letter dated November 23, 2010 from Punjab National Bank	Overdraft against fixed deposit	92.50	8.5%	One year	On demand	N.A.	Fixed deposit receipts amounting to ₹ 100 million
11.	Sanction letter dated November 26, 2010 from Indusind Bank	Overdraft against fixed deposit	212.42	9.60%	One year	On demand	N.A.	Fixed deposit receipts amounting to ₹ 250.00 million

As on December 31, 2011, there was no amount outsanding under the overdraft financing facilitites mentioned above. The above mentioned financing facilities are availed from the clearing banks against the fixed deposits, for meeting intra-day settlement obligations of our Company, if required. There is no draw down under any of these facilities as on December 31, 2011.

SECTION VI: LEGAL AND REGULATORY INFORMATION

OUTSTANDING LITIGATION

Except as described below and in the notes to the financial statements in this Red Herring Prospectus, there are no contingent liabilities not provided for, outstanding litigation, disputes, non payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits and arrears on cumulative preference shares issued by our Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act, 1956) against our Company, its Directors, its Promoter, Group Companies and its Subsidiaries that would have a material adverse effect on our business.

Cases filed against our Company

Civil cases

1. Hiralal Sanghavi and other applicants ("**Complainants**") have filed a claim (MACT Application No. 2400 of 2006) against our Company and New India Assurance Company Limited, (the "**Insurer**") before the Motor Accident Claim Tribunal, Mumbai ("**MACT**"). The said complaint has been filed for claiming damages of ₹ 2,500,000 under section 166 and ₹ 50,000 under section 140 of Motor Vehicles Act, 1988 ("**MV Act**"). Our Company has filed its reply refuting any liability. MACT had vide its order dated July 2, 2008 allowed the application under Section 140 of the MV Act and ordered to deposit a sum of ₹50,000. Accordindly, the insurance company has deposited ₹ 50,000 and the same paid over to the Applicant. The matter is currently pending.

2. Aavaran, a proprietorship concern represented by its proprietor Vijay Kumar Kajaria (the "**Plaintiff**"), has filed a suit (Title Suit No. 682 of 2007) against Rainbow Commodities and Derivatives Private Limited ("**Rainbow**"), our Company, R. Krishnamurthy, V. H. Pandya and Anil Shah (the "**Defendants**") before the City Civil Court, Kolkata. The suit has been filed seeking a temporary injunction restraining our Company from giving effect to the notice of hearing issued by our Company to the Plaintiff in respect of the arbitration proceedings initiated by Rainbow against the Plaintiff under section 8.1 of Business Rule 37 of our Company and seeking a declaration that the initiation of the arbitration proceedings is illegal and not binding on the Plaintiff, and also restraining the other Defendants from holding the arbitration. There is no monetary claim in the present case. The matter is currently pending.

3. Altos Advisory Services Limited (the "**Petitioner**"), a trading-cum-clearing member of our Company has filed a writ petition (No.19544 of 2008) dated August 6, 2008 before the Madras High Court against the FMC and our Company impugning the suspension order passed against the Petitioner by the FMC on July 17, 2008 suspending the Petitioner's membership from our Company for a period of three years and seeking a stay on the operation of the suspension order, and praying for the release of all payments lying to the credit of the Petitioner's account by our Company. The matter is currently pending.

4. Ways Infotechnologies Private Limited, a client of Kotak Commodity Services Limited has filed an arbitration petition (Case No.13 of 2009) before the District Judge, Central Delhi under the Arbitration and Conciliation Act, 1996 against Kotak Commodity Services Limited, the arbitration division of our Company and the arbitrator, *inter alia* challenging the award passed by the arbitrator on November 5, 2008 between Ways Infotechnologies Private Limited and Kotak Commodity Services Limited and has sought the setting aside of the award and remanding the matter for fresh proceedings before a new independent arbitral tribunal. The matter is currently pending.

5. Profit Commodities (the "**Petitioner**") had filed a writ petition (W.P. No. 2770 of 2008) before the High Court of Madhya Pradesh against the FMC, National Commodities and Derivatives Exchange of India Limited and our Company, challenging the inquiry and inspection of the books of accounts of the Petitioner ordered by FMC. Further, FMC has also debarred the Petitioner from dealing in commodities markets. The High Court of Madhya Pradesh passed an order dated February 16, 2009 dismissing the writ petition. The Petitioner has filed an appeal (Writ Appeal No.83 of 2009) challenging the order dated February 16, 2009. The matter is currently pending.

6. Shiv Kumar Gupta (the "**Appellant**") has filed an appeal (No.1240 of 2009) before the State Consumer Disputes Redressal Commission at Lucknow against Manish Kumar Agarwal, the manager of Clean Commodities Private Limited ("**Clean Commodities**"), a trading member of our Company, and our Company *inter alia* challenging the dismissal order dated April 29, 2009 passed in complaint no. 244 of 2009 at the stage of admission by the district forum, Lucknow. The Appellant was a client of Clean Commodities and in connection with a dispute regarding payment, the Appellant filed the complaint no. 244 of 2009 claiming a total sum of ₹ 450,000 towards refund of security deposit, mental agony suffered by him and the cost of the complaint. The complaint was dismissed and it was held that the dispute is a commercial dispute and not a consumer dispute. Thereafter, the Appellant has filed the abovementioned appeal challenging the order dismissing the complaint. Our Company has filed a reply dated February 24, 2010 to the said appeal. The matter is currently pending.

7. Anand Kumar Goyal (the "**Complainant**") has filed a consumer complaint (no. 123 of 2010) dated March 9, 2010 before the District Consumer Disputes Redressal Forum, Shivpuri against Karvy Comtrade Limited, our Company and others *inter alia* claiming compensation amounting to ₹ 1,977,668 (including costs). The Complainant has claimed that he had opened two accounts at the request of the respondents and that certain transactions that had taken place in these accounts had been undertaken due to mishandling of the Complainant's accounts, without his knowledge, and resulted in financial losses. The matter is currently pending.

8. Amarnath has filed a consumer complaint (No. 292 of 2010) before the Consumer Disputes Reddressal Forum, Balia, Uttar Pradesh against Sunil Kumar Singh, Prem Prakash Tiwari and our Company, inter alia, alleging cheating and spurious services provided by the respondents in the matter in relation to commodities trading. Amarnath has claimed a total compensation of ₹ 110,000 including claim for mental agony and also costs involved in the proceedings. The matter is currently pending.

9. MCX-SX has filed a writ petition before the Bombay High Court challenging the SEBI order dated September 23, 2010. Our Company is named as a respondent to the said writ petition, however no relief has been sought against us. For further details, see section titled 'Other Companies – Outstanding litigation involving MCX-SX' on page 242.

10. Power Exchange of India Limited ("**PEIL**") has filed a special leave petition (no.14990-14991 of 2011) before the Supreme Court of India against FMC, Central Electricity Regulatory Commission ("**CERC**"), Indian Energy Exchange of India Limited, Union of India, Ministry of Law and Justice and our Company challenging the order dated February 7, 2011 passed by the High Court of Bombay. PEIL had filed the original petition (no. 159 of 2008) before CERC challenging the approval by FMC allowing our Company to trade in electricity forward contracts on the ground that electricity forward contracts were within the exclusive jurisdiction of CERC. CERC, by its order ("**Original Order**") held that the regulatory authority to promote development market in the electricity sector is vested with CERC and our Company cannot trade in electricity forward contracts without the prior approval of CERC. Being aggrieved by the Original Order, FMC and our Company filed a writ petition (no. 1604 of 2009 and 1197 of 2010) before the High Court of Bombay. The High Court of Bombay has, by an order dated February 7, 2011 ("**High Court Order**") held that forward contracts and futures in electricity are outside the purview of the Electricity Act, 2003 ("**Act**") and CERC being a statutory authority under the Act, cannot regulate electricity futures contracts and has no authority to deal with the same. Accordingly electricity forward contracts and electricity futures would be outside the purview of the Act. The High Court of Bombay has further held that neither the FMC nor the CERC or any authority/commission under them have sole and exclusive jurisdiction to regulate and control forward trading/future contract in electricity. PEIL has filed a special

leave petition against the High Court Order. CERC and FMC have also filed special leave petitions (no.15253-15256 of 2011 and no.17300-303 of 2011) before the Supreme Court of India against the High Court Order, wherein our Company has been included as a party. The petitions filed by PEIL and CERC have been admitted and the petition filed by FMC is pending for admission. All the three petitions are currently pending.

11. Mukesh Kumar (the "**Petitioner**") has filed a civil miscellaneous writ petition (no. 30926 of 2011) before the High Court at Allahabad against Union of India, K&A Commodities Private Limited ("**KCPL**") and our Company. The Petitioner is a client of KCPL, our Company's member with trading account no. 82M61. The Petitioner had prepared pay orders in favour of KCPL and deposited the amount for the same. The Petitioner has contented that KCPL has not made the requisite entry for ₹ 800,525 in the ledger account of the Petitioner during the period April 6, 2009 to October 29, 2009. In this writ petition, the Petitioner has sought direction against KCPL to make entry in the ledger account of the Petitioner and also to pay to the Petitioner ₹ 800,525. The matter is currently pending. Mukesh Kumar has also filed a consumer complaint (no. 604 of 2011) before the Consumer Disputes Redressal Forum (First), Agra against KCPL, its branch office at Agra and our Company alleging deficiency in services in relation to non-entry in the ledger account. The total amount involved in this matter is ₹ 921,625 and the same is currently pending.

12. Parmesh Bindal has filed a suit (MR/BB/2311/11) against Sharekhan Limited, Mumbai, Sharekhan Limited, Ambala, SEBI, BSE, NSE and our Company before the Court of Civil Judge, Senior Division, Ambala seeking decree of mandatory injunction and directing Sharekhan Limited, Mumbai and Sharekhan Limited, Ambala to supply certain documents mentioned therein. However, no relief has been sought against our Company. The Company, along with other parties to the suit has been requested to debar Sharekhan Limited from dealing in purchase and sale of shares in BSE, NSE and dealing in commodities in MCX or in any other recognized stock exchange in India. The matter is currently pending.

13. Gyanchand Mutha (the "**Petitioner**") has filed a suit for recovery before the Court of District and Session Judge, Jaipur against Trade Swift Derivatives Private Limited ("**TSDPL**"), Avant Mutha, son of the Petitioner, our Company and NBHC seeking a decree for recovery of ₹ 1,689,405 inclusive of interest. The Petitioner was a trading member of TSDPL and traded on the platform of our Company by virtue of a member client agreement. The Petitioner had pledged 1,439.25 kilogram of mentha oil kept with NBHC. The Petitioner had terminated the member client agreement but TSDPL failed to return the security deposit. In a separate dispute referred to arbitration between Anant Mutha and TSDPL, an award of ₹ 1,690,488 was passed in favour of TSDPL. TSDPL failed to realize the awarded amount from Anant Mutha. NBHC delivered the security deposit of the Petitioner to TSDPL and TSDPL sold it to realize the awarded amount. The Petioner has challenged the realisation of the amount due from Anant Mutha from his security deposit. The matter is currently pending.

14. Manisha Suryakant Phaltankar (the "**Petitioner**") has filed an arbitration petition (no. 701 of 2011) before the High Court of Bombay against our Company and Indiabulls Securities Limited challenging the award of the sole arbitrator. The original arbitration application was rejected being barred by limitation, in a dispute involving trading of silver by the sole arbitrator. The Petitioner has claimed ₹ 86,220 along with interest and compensation of ₹ 150,000 for avoidable litigation, mental agony and stress. The matter is currently pending.

15. Girish Kumar Upadhyay and Rekha Upadhyay (together **"Complainants"**) have filed a consumer complaint (no. 246 of 2011) before the Consumer Protection Forum, District Sultanpur against Teracap Investment Consultant Private Limited (**"Teracap"**), its branch office at Sultanpur and our Company alleging deficiency in services in relation to non-payment of interest and issuance of receipt against investments made by the Complainants in the investment schemes of Teracap. The total amount claimed by the Complainants is ₹ 350,000. The matter is currently pending.

Tax Proceedings

The Deputy Commissioner of Commercial Tax, Division - 1, Chandausi, Uttar Pradesh, by its ex-parte orders dated October 29, 2010 directed our Company to pay a sum of ₹ 288,729,781 towards penalty for the alleged failure to deposit trade tax amount collected under the Uttar Pradesh Trade Tax Act, 1948 from the buyers of Mentha oil traded on the MCX trading platform during the years 2005-06, 2006-07 and 2007-08. Aggrieved by the said ex-parte orders, the Company filed an application before the Deputy Commissioner, Trade Tax. Subsequently, by its orders dated February 17, 2011, the Deputy Commissioner had set aside the ex-parte orders and the matters were re-opened for fresh hearing. Post hearing of all the parties, the Deputy Commissioner by its orders dated August 12, 2011 (received on October 10, 2011) imposed a total penalty of ₹ 288,729,781 for the years 2005-06, 2006-07 and 2007-08. Against the said orders our Company filed three appeals dated November 12, 2011 before the Joint Commissioner Grade II (Appeals) Moradabad. The Additional Commissioner Grade II (Appeals) Moradabad by its order dated November 16, 2011 has quashed the penalty imposed against our Company and remanded the matters to the assessing authority to consider it afresh. Our Company has filed three second appeals dated January 16, 2012 before the Commercial Tax Tribunal, Moradabad ("**CTT**") for setting aside the said remand orders and quashing the penalty proceedings against our Company. CTT vide its order dated January 18, 2012 has granted stay on the operation of the order dated November 16, 2011 in favour of the Company for a period of two months from the date of the aforesaid order or disposal of the second appeals, whichever is earlier. These matters are currently pending.

Trademark Oppositions

1. The NSE has filed an opposition (no. BOM-751894) dated December 18, 2009 under the Trade Marks Act, 1999 (the "**NACE Opposition**") against our Company's application (no. 1548702) in respect of the trademark "NACE" under class 16. The NACE Opposition has been filed *inter alia* on the grounds that our Company's application lacks distinctiveness and that the trade mark sought to be registered is an imitation of, identical to or deceptively similar to the NSE's trade and service marks. The NACE Opposition is currently pending.

2. The NSE has filed an opposition (no. BOM-751893) dated December 18, 2009 under the Trade Marks Act, 1999 (the "**NACE 2 Opposition**") against our Company's application (no. 1548701) in respect of the trademark "NACE" under class 9. The NACE 2 Opposition has been filed *inter alia* on the grounds that our Company's application lacks distinctiveness and that the trade mark sought to be registered is an imitation of, identical to or deceptively similar to the NSE's trade and service marks. The NACE 2 Opposition is currently pending.

3. The NSE has filed an opposition (no. BOM-734459) dated February 2, 2009 under the Trade Marks Act, 1999 (the "**NACE 3 Opposition**") against our Company's application (no. 1548708) in respect of the trademark "NACE" under class 42. The NACE 3 Opposition has been filed *inter alia* on the grounds that our Company's application lacks distinctiveness and that the trade mark sought to be registered is an imitation of, identical to or deceptively similar to the NSE's trade and service marks. Our Company has filed a counterstatement dated April 6, 2009 to the NACE 3 Opposition. The NACE 3 Opposition is currently pending.

4. The NSE has filed an opposition (no. BOM-730399) dated February 3, 2009 under the Trade Marks Act, 1999 (the "**NMC Opposition**") against our Company's application (no. 1172006) in respect of the trademark "NATIONAL MULTI COMMODITY EXCHANGE" under class 9. The NMC Opposition has been filed *inter alia* on the grounds that our Company's application lacks distinctiveness and that the trade mark sought to be registered is an imitation of, identical to or deceptively similar to the NSE's trade and service marks. Our Company has filed a counterstatement dated April 4, 2009 to the NMC Opposition. The NMC Opposition is currently pending.

5. New York Mercantile Exchange, Inc. has filed an opposition (no. BOM-769419) dated October 21, 2010 under the Trade Marks Act, 1999 ("**Opposition**") against our Company's application (no. 1513128) in respect of the trademark "COMDEX" under class 42. The opposite party owns the trademark "COMEX" and the opposition has been primarily filed on the grounds that our Company's application lacks distinctiveness and that the trademark sought to be registered is an imitation of, identical to or deceptively similar to the opposite party's trademark and it is liable to take unfair advantage of and be detrimental to the distinctive character or repute of the prior registered and well-known trademark and the statutory and proprietary rights. Further, the impugned mark is of such nature as to confuse/deceive the members of trade and public regarding the source and origin of the services threunder The Opposition is currently pending.

Complaint by HT Media Limited ("HT Media")

HT Media is a shareholder of the Company, having acquired 163,388 Equity Shares from Edelweiss Financial Services Limited (formerly known as Edelweiss Capital Limited) ("**Edelweiss**") pursuant to a purchase agreement on March 30, 2010 ("**SPA**") between the Company, HT Media, Edelweiss and Financial Technologies (India) Limited. Pursuant to the SPA, Edelweiss transferred 163,388 Equity Shares to HT Media on March 31, 2010. The Company received the approval of the FMC for the transfer on April 1, 2010.

The Company filed its Draft Red Herring Prospectus in relation to the Offer with SEBI on March 31, 2011. HT Media, by its emails dated April 5, 2011 and April 11, 2011 to the Company alleged that the Company had breached the SPA insofar as it had not included the Equity Shares held by HT Media in the Offer. The Company responded to these emails setting forth the reasons for not including such Equity Shares in the Offer and denying that it had breached the SPA. Further, the Company has received letters dated May 5, 2011, May 19, 2011, May 31, 2011 and June 18, 2011 (collectively referred to as the "**Letters**") from HT Media alleging that the Company: (i) did not inform HT Media about the proposed offer for sale and its intention to file the Draft Red Herring Prospectus with SEBI; (ii) did not seek prior consent of HT Media for the proposed Offer; (iii) has breached the terms of the SPA *inter alia* by not giving HT Media an opportunity to include its Equity Shares in the Offer; and (iv) has not properly disclosed the shareholding and the terms of the SPA in the Draft Red Herring Prospectus and in its correspondence with SEBI. Accordingly, HT Media has asked the Company to: (i) withdraw the Draft Red Herring Prospectus filed with SEBI and re-file it after including the Equity Shares held by HT Media in the Offer as they are eligible to participate in the Offer; and (ii) adequately disclose the terms of the SPA in the Draft Red Herring Prospectus. HT Media also mentioned that it may choose to pursue legal remedies, including by way of arbitration. HT Media also sent copies of these letters to SEBI.

The Company has pursuant to its letters dated May 20, 2011, June 14, 2011 and July 8, 2011 ("**Responses**"), responded to the Letters, denying all the allegations made by HT Media. Particularly, the Company has: (i) denied that HT Media was not notified of the proposed Offer; (ii) stated that HT Media was not eligible to participate in the Offer under applicable law; and (iii) confirmed that adequate disclosures in relation to the SPA were included in the Draft Red Herring Prospectus.

In the event HT Media is not satisfied with the Responses, it may choose to pursue legal remedies, including by way of arbitration. The Company will be required to contest such legal proceedings, involving substantial time of our management and which may have an adverse effect on our reputation.

Subsequent to the Letters and the Responses, the Company received a letter dated November 11, 2011 from Pivotal Securities Private Limited ("**Pivotal**") informing the Company that it was desirous of purchasing shares held by HT Media. The Company by its letter dated November 11, 2011 forwarded the letter to HT Media and requested it to directly negotiate the proposal with Pivotal. Pivotal has further, by its letter dated January 16, 2012 to HT Media, reiterated its offer to purchase shares held by HT Media and stated that the offer would remain valid until February 7, 2012. A copy of this letter has been sent to our Company by Pivotal throught its email dated January 17, 2012

Letter from Registrar of Companies ("RoC")

The Company has received a letter dated February 6, 2012 from RoC forwarding the complaint received from Ashok Kumar Jain alleging non-publication of certain documents related to (i) grant of recognition; (ii) commencement of business; (iii) business rules and bye-laws; and (iv) memorandum and articles of association of the Company in the official Gazette of India and State Gazette which ought to have been published as detailed in the Forwards Contracts (Regulation) Act, 1952. RoC has requested the Company to furnish clarification along with documents within seven days of the receipt of the aforesaid letter. The Company has filed its response vide its letter dated February 10, 2012 confirming compliance with legal approvals for its business operations as well as for the Offer.

Cases filed by our Company

Criminal Cases

1. Our Company has filed a criminal complaint (Complaint No.7502/SS/2009) dated May 19, 2009 before the Metropolitan Magistrate, 10th Court, Andheri, Mumbai against ISF Commodities Private Limited ("**ISF**"), B.K. Sabharwal, Amarjit Singh, Sunila Sabharwal and Rajiv Mehta, (collectively hereinafter referred to as "**Accused**") under Section 138 read with sections 141 and 142 of the Negotiable Instruments Act, 1881 in relation to dishonouring of cheque of ₹10,450,000 issued in favour of our Company. The Accused made payment of the full cheque amount and the case is presently listed before the Hon'ble Lok Adalat for withdrawal of criminal proceedings.

2. Our Company has filed a criminal complaint (Complaint No.100 of 2009) dated April 8, 2009 before the Metropolitan Magistrate, 22nd Court, Andheri, Mumbai against ISF Commodities Private Limited ("**ISF**"), a trading-cum-clearing member of our Company and others (the "**Accused**") under sections 415, 418 and 420 read with section 34 of the Indian Penal Code, 1860. Our Company has alleged that ISF suffered certain marked-to-market losses on September 17, 2008 and that the net outstanding unfulfilled settlement obligation of ISF as on September 18, 2008 was ₹ 25,476,970. Our Company has alleged that the Accused have wilfully avoided making payment of a part of the said sum and that it was the intention of the Accused to induce, deceive and cheat our Company. Our Company has prayed for an investigation under section 156(3) to be ordered against the Accused and for their prosecution and punishment under sections 415, 418 and 420 read with section 34 of the Indian Penal Code, 1860. The proceedings are pending. For details in relation to the proceedings initiated by our Company against the Accused for dishonouring of the cheques made by the Accused for payment of part of the said sum, see section titled "Outstanding Litigation – Cases filed by our Company – Criminal Cases – case no. 1" on page 395.

3. Our Company has filed a criminal complaint (Complaint No. 127/M/2010) before the Metropolitan Magistrate, 22nd Court, Andheri, against B.K. Sabharwal, Amarjit Singh, Sunila Sabharwal and ISF Commodities Private Limited ("**ISF**") under sections 403, 415, 417 and 418 read with section 34 of the Indian Penal Code, 1860 for false and dishonest representations made to our Company, causing delay in the declaration of ISF as a defaulter, and the dishonest misappropriation of money received from the National Commodity and Derivatives Exchange Limited on surrender of its membership deposit. The proceedings are currently pending.

4. Our Company had filed a criminal complaint (Complaint No. 4471/SS/2009) dated March 23, 2009 before the Metropolitan Magistrate, 16th Court, Ballard Pier, Mumbai against Ajay Shah, a senior fellow at the National Institute for Public Finance and Policy, New Delhi under sections 499 and 500 of the Indian Penal Code, 1860 in relation to certain articles published against our Company in the Financial Express newspaper. Our Company had alleged that the said article was defamatory. The proceedings are currently pending.

5. Our Company had filed a criminal complaint (summary criminal case no. 1549 of 2011) dated May 6, 2011 before the Chief Judicial First Class Magistrate, Kolhapur against Ajay Shah, a senior fellow at the National Institute for Public Finance and Policy, New Delhi under sections 499 and 500 of the Indian Penal Code, 1860 read with section 66-A (a) & (b) of Information Technology Act, 2000 for defamatory words spoken against our Company in TV News Channel "CNBC Awaz" on February 11, 2011. In the interview, Ajay Shah has stated that our Company had been involved in corruption cases and SEBI has taken strict actions against it. Our Company has alleged that the words spoken by him were defamatory. The Court of Chief Judicial First Class Magistrate has passed an issue process order dated June 18, 2011 under section 500 of the Indian Penal Code (**"Order"**). Aggrieved by the said Order, Ajay Shah has filed a revision application no. 173 of 2011 before the Court of Sessions Judge, Kolhapur praying for quashing the said Order. The proceedings are currently pending.

Trademark Oppositions

1. Our Company has filed an opposition (no. DEL-752520) dated December 24, 2009 under the Trade Marks Act, 1999 to the application (no. 1634654) filed by Tata Motors Limited under class 12 for the trade mark

"INDICA MCX" *inter alia* on the grounds that the term "MCX" is distinctive and exclusively associated with our Company and that the application opposed is confusingly similar to our Company's trade marks. The said opposition is currently pending.

2. Our Company has filed an opposition (no. DEL-756795) dated February 17, 2010 under the Trade Marks Act, 1999 to the application (no. 1535064) filed by 3CX Limited under class 9 *inter alia* on the grounds that the term "MCX" is distinctive and exclusively associated with our Company and that the application opposed is confusingly similar to our Company's trade marks. The said opposition is currently pending.

3. Our Company has filed a trademark opposition (no. BOM-769673) dated October 23, 2010 against the use of name 'IMCX' by International Multi Commodity Exchange Limited (the "Applicant") which the Applicant is seeking for registration under class 36 (application no. 1830185) under the Trade Marks Act, 1999. The term "MCX" is distinctive and exclusively associated with our Company and that the application opposed is deceptive and confusingly similar to our Company's trade marks. The said opposition is currently pending

Amount outstanding to small scale industries

As on the date of this Red Herring Prospectus, our Company did not owe any small scale industries any amounts exceeding ₹ 100,000 for over 30 days.

Contingent liabilities not provided for as of December 31, 2011

As of December 31, 2011, the contingent liabilities appearing in our restated standalone financial information are ₹ 204.84 million. For further details, see section titled "Financial Statements – Notes to the standalone summary statements, as restated" on page 309.

Litigation against our Directors

Litigations against Joseph Massey

Criminal Cases

1. Anil Lal Chetta has filed a criminal case (Case No. 1909/02 dated September 6, 2002) before the Chief Judicial Magistrate, Vadodara against Joseph Massey on the following, amongst other grounds: that he was wrongfully declared a "defaulter", the auctioning of his membership card in spite of an injunction, non-submission of certain documents in court and making a false affidavit in the court that the documents of the exchange were damaged due to water. The Vadodara Stock Exchange has filed an application for permanent exemption from appearance in respect of Subhash Dalal and Joseph Massey. The complaint is currently pending.

2. A criminal case (Criminal Case No. 1831/97 dated May 9, 1997) has been filed before the Judicial Magistrate, First Class at Vadodara by the Government Labour Officer, Vadodara against the Vadodara Stock Exchange and Joseph Massey in his capacity as the executive director for non-compliance of the Minimum Wages Act 1948. The matter is currently pending.

3. Harish Chand Jain has filed a criminal case (Criminal Case No. 1288/2003, dated January 12, 2003) before the Chief Judicial Magistrate, Agra alleging that the Inter-connected Stock Exchange of India Limited ("**ISEI**") and its officials, including Joseph Massey (its then Managing Director), had wrongfully refused to refund the admission fees and connectivity charges paid by him at the time of his becoming a trade member of the ISEI. The matter is currently pending.

Litigation against C.M. Maniar

Criminal Cases

1. Eight complaints under Section 138 of the Negotiable Instruments Act, 1881 amounting to ₹ 30,000,000 are pending against REPL Engineering Limited where C.M. Maniar was a Non-Executive director, the

Pharmaceutical Products of India Limited and Avon Products Limited. C.M. Maniar has been named as one of the defendants. C.M. Maniar resigned as director of REPL Engineering Limited on August 28, 1997, and as director of Pharmaceutical Products of India Limited on April 24, 2001. C.M. Maniar is presently not and has previously not been a director on the board of directors of Avon Products Limited. These complaints are currently pending.

Proceedings involving our Subsidiaries

There are no pending litigations filed against or by the Subsidiaries of our Company, MCXCCL and SME.

Proceedings involving our Promoter/Group Companies

Cases filed against our Promoter

Civil Cases

1. Nitoll Jinn Trust has filed a writ petition (no.383 of 2007) in the nature of a public interest litigation, against FTIL and others before the Goa bench of the Bombay High Court, seeking to set aside and quash the allotment of land made to FTIL in the Rajiv Gandhi IT Habitat ("**IT Habitat**") located at Dona Paula, Goa and also prayed for grant of interim relief by restraining FTIL from carrying on any construction activity at IT Habitat. FTIL has filed a reply dated June 11, 2008. FTIL received a show cause notice dated May 3, 2010 from Info Tech Corporation of Goa Limited alleging failure on its part to implement the project in question at the land allotted to FTIL at IT Habitat. FTIL has replied to the show cause notice by a letter dated May 17, 2010 seeking extension of time as the matter is *sub-judice*. The proceedings are currently pending.

2. MCX-SX has filed a writ petition before the Bombay High Court challenging the SEBI order dated September 23, 2010. FTIL is named as a respondent to the said writ petition, however no relief has been sought against FTIL. For further details, see section titled 'Other Companies – Outstanding litigation involving MCX-SX' on page 242.

Tax proceedings

1. The Commissioner of Central Excise has issued a show cause cum demand notice dated November 30, 2009 to FTIL to show cause as to why the excisable goods manufactured and cleared by FTIL should not be classified under different chapters of the Central Excise Tariff Act, 1985 and charged to appropriate duty, central excise amounting to ₹ 7,448,968 should not be demanded from FTIL under the proviso (1) of section 11 A of the Central Excise Act, 1944, interest should not be demanded from FTIL for the non-payment of duty under section 11AB of the Central Excise Act,1944 and penalty should not be demanded under Rule 26. FTIL filed its reply with the Commissioner of Central Excise on May 20, 2010. The Commissioner of Central Excise has passed an order confirming the demand of ₹ 6,886,990 and imposed a penalty of an equal amount. Further, the Commissioner of Central Excise also ordered for payment of interest u/s 11AB of the Central Excise Act, 1944 and imposed a penalty of ₹ 1,000,000 on a FTIL director. FTIL has filed an appeal against the order before Central Excise and Service Tax Appellate Tribunal. The proceedings are currently pending.

2. The Commissioner of Service Tax has issued a show cause cum demand notice dated July 15, 2009 to FTIL to show cause as to why an amount of ₹ 7,857,994 should not be demanded and recovered under section 73(1) of the Finance Act, 1994, interest should not be demanded from FTIL for the non-payment of service tax and penalty should not be imposed under section 76 of the Chapter V of the Finance Act, 1994. FTIL has filed a reply to the Commissioner of Service Tax on September 22, 2009 for the period July 9, 2004 to October 6, 2005. The proceedings are currently pending.

3. The excise authorities have filed an appeal before the Central Excise and Gold Control Appellate Tribunal in June 2009 *inter alia* seeking to set aside an order dated March 31, 2009 issued by the Commissioner of Central Excise, ("**Excise Commissioner**"), whereby the Excise Commissioner had set aside a show cause cum demand notice dated May 2, 2008 (F. No. V Adj. (Misc) 30-25/2008) issued by the excise authorities,

("**Impugned Show Cause Notice**"). The excise authorities have alleged, pursuant to the Impugned Show Cause Notice, that FTIL had set off service tax credit without establishing a nexus between input and output services and consequently had made a demand for duty aggregating to ₹ 16,575,483 on FTIL. The proceedings are currently pending.

4. The Office of the Commissioner of Service Tax ("**Commissioner**") has issued a show cause cum demand notice dated December 8, 2008 to FTIL to show cause as to why a sum of ₹ 16,592,020 should not be demanded and recovered under section 73 (1) read with section 66 and section 68 of the Finance Act 1994, interest should not be demanded under section 75 for the non payment of service tax, should not be imposed under section 76 and section 77 of Chapter V of the Finance Act 1994. FTIL has filed a reply to the Commissioner on January 7, 2009. The proceedings are currently pending.

5. FTIL has received a notice in Form No. 603 on the basis of investigation and verification of the various records of FTIL and other group companies by the Assistant Commissioner of Sales Tax (1-3), on June 2, 2010. The said notice requires appearance of FTIL before the Officer for further verification. The matter is currently pending.

6. FTIL has received a notice for proceedings under section 263 of the Income Tax Act, 1961 for the assessment year 2007-2008 and 2008-2009. FTIL has objected to such proceedings. The proceedings are currently pending.

7. Assistant Commissioner of Income Tax, Central Circle, Mumbai has passed order under section 271(1)(c) of the Income Tax Act, 1961 on March 18, 2011 for the assessment years 2002-2003, 2004-2005, 2005-2006 and 2006-2007 whereby penalty of ₹ 12,500,000, ₹ 6,812,973, ₹ 5,500,000 and ₹ 2,500,000 for each year has been levied on FTIL on account of withdrawal of depreciation claim on intellectual property rights. FTIL has filed an appeal before the Commissioner of Income Tax (Appeals) - 38 against the said order, which has been rejected. FTIL has filed an appeal before the Income Tax Appellate Tribunal, Mumbai challenging the order passed by Assistant Commissioner of Income Tax (Appeals).

8. Deputy Commissioner of Income Tax, Central Circle, Mumbai has passed orders under section 271(1)(c) of the Income Tax Act, 1961 on August 30, 2011 for the assessment years 2001-2002, 2002-2003 and 2003-2004 whereby penalty of ₹ 19,194,444, ₹ 2,014,673 and ₹ 9,331,784 for each year, have been levied on FTIL on account of withdrawal of depreciation claim on intellectual property rights and reworking of annual maintenance charges. FTIL has filed an appeal before the Income Tax Appellate Tribunal, Mumbai against the order passed by the Deputy Commissioner of Income Tax.

Cases filed by our Promoter

Civil Cases

1. FTIL has filed a suit bearing No. 804 of 2008 along with Notice of Motion bearing No. 100 of 2008 before the Bombay High Court, against Mr. Sudhir Gupta, an ex-employee of FTIL, for orders and decree to pay FTIL a sum of ₹ 50,00,000 and seeking for permanent and temporary injunction restraining the defendant from continuing with or taking up employment in the ASIAN CERC Information and Technology Limited ("**ASIAN**") during the restraint period as per the undertaking dated May 22, 2006 ("**Undertaking**"). Pursuant to the Undertaking, the defendant agreed that during the period of employment with FTIL and for a period of one year immediately following the termination or expiry of employment with FTIL he would not directly or indirectly join the employment of any competitor company and would not disclose any confidential information which he received during the course of employment with FTIL. However, after leaving employment of FTIL on December 28, 2007, the defendant joined the ASIAN, which is a competitor of FTIL. FTIL vide notice of motion (no. 100 of 2008) before the Bombay High Court had sought for injunction restraining the defendant from continuing his employment at ASIAN, but the same was dismissed vide order dated April 03, 2008. The suit is pending before Bombay High Court.

2. FTIL has initiated arbitration proceedings against D. Ravishanker (the "**Respondent**") before the sole arbitrator, in relation to a dispute arising from the Respondent's exit from the business of Credit Market Services Limited, a subsidiary of FTIL, and an alleged breach of a MoU between FTIL and the

Respondent, which resulted in a loss to FTIL. FTIL has claimed an amount of ₹ 8,948,711 as compensation for the loss suffered by FTIL as a result of the Respondent's exit. FTIL has filed its statement of claim and the Respondent has filed his reply to the statement of claim and a counter claim of ₹ 77,500,000. The matter is currently pending.

3. FTIL has filed two arbitration applications under section 11 of Arbitration and Conciliation Act, 1996 before the High Court of Bombay seeking appointment of sole arbitrator in relation to arbitration proceedings initiated against Dinesh Khari and Alok Pundir ("**Opponents**"). The Opponents are ex-employees of FTIL against whom FTIL has alleged breach of undertaking which was given by these Opponents to FTIL at the time of their appointment. These matters are currently pending.

4. FTIL has served notices to three of its past employees who have joined competitors of FTIL post their resignation from FTIL, being in violation of one of the terms of their undertaking with FTIL.

5. FTIL has filed an impleadment application in relation to the appeal filed by the National Stock Exchange of India Limited ("**NSE**") before Competition Appellate Tribunal ("**COMPAT**") against the order dated June 23, 2011 passed by the Competition Commission of India in the case filed by MCX-SX. Whilst FTIL is not a party to the original proceedings, NSE has raised certain contentions against FTIL. For details in relation to the original proceedings and order, see the section titled "Other Companies – Cases filed by MCX-SX" on page 243. FTIL has also filed an amendment application to the impleadment application and early hearing application before COMPAT and the matter is currently pending.

Criminal Cases

1. FTIL has filed a first information report against Manish Arora (the "**Accused**"), a former employee of FTIL, alleging that the Accused had illegally obtained a copy of the source code prior to his leaving FTIL in May 2009, thus infringing FTIL's intellectual property rights. The Accused was arrested and is now facing criminal prosecution under Section 385 of the Indian Penal Code 1860, read with Sections 43 (i), 66 and 66 A of the Information Technology Act, 2000. The matter is currently pending before the Metropolitan Magistrate's Court.

2. FTIL has filed criminal complaint (no. 2400421 of 2011) before the Court of Metropolitan Magistrate Borivli, Mumbai against Jamshedji Jeejeebhoy Hospital Nursing Association ("**JJ Trust**") and others for seeking direction under section 156 (3) of Criminal Procedure Code to lodge a first information report against JJ Trust or to prosecute the JJ Trust and others under section 406 and 420 of Indian Penal Code. FTIL and JJ Trust have entered into a rest and recuperation arrangement in respect of a bungalow belonging to JJ Trust at their Aksa beach premises. FTIL has alleged that JJ Trust has denied access to the bungalow as per the terms of the arrangement and is not releasing a deposit of ₹ 1,200,000 with annual interest thereon. The Court has allowed the complaint filed by FTIL vide order dated February 2, 2012 and has given directions under section 156(3) of Criminal Procedure Code to Malvani Police Station, Mumbai. The matter is currently pending.

Tax proceedings

1. FTIL had filed appeals under section 143(3) read with section 153A of the Income Tax Act, 1961 before the Office of the Commissioner of Income Tax (Appeals) against the assessment orders for assessment years 2002-2003, 2004-2005, 2005-2006 and 2006-2007 passed by the Deputy Commissioner of Income Tax, Central Circle, Mumbai for the disallowance of certain expenses under section 14A for the assessment year 2002-2003, 2004-2005, 2005-2006 and ₹ 7,022,947 for the assessment year 2006-2007. The Commissioner of Income Tax (Appeals), by an order dated November 26, 2009, allowed partial relief by directing the assessment officer to re-compute the disallowance on the basis of average of the value of investments after excluding those investments income received or to be received from which was not exempt and allow consequential relief in the levy of interest under sections 234A, 234B and 234C of the Income Tax Act, 1961. By the said order, the assessee had received a relief for ₹ 142,630, ₹ 656,786 and ₹ 725,451 for the assessment years 2004-2005, 2005-2006 and 2006-2007 respectively. No relief was received for the assessment year 2002-2003. FTIL has filed appeals before the Income Tax Appellate Tribunal for allowing the balance amount of relief under section 14A of the Income Tax Act, 1961. The

Income Tax Appellate Tribunal has set aside the matter and has directed the assessing officer to reassess the issue pursuant to its order dated September 17, 2010. Subsequently, the assessing officer has reassessed the matter and by its order dated November 30, 2011 accepted the disallowance made by FTIL for assessment years 2004-2005 and 2005-2006, and disallowed 3% of dividend income in respect of assessment year 2002-2003 and 2006-2007 resulting in disallowance of ₹ 987,416 and ₹ 1,267,549 for the assessment years 2002-03 and 2006-07 respectively. FTIL has filed an appeal against the orders for the assessment years 2002-03 and 2006-07.

2. FTIL has filed an appeal before the Commissioner of Income Tax (Appeals) in connection with the assessment year 2007-2008 against disallowance of interest on zero coupon convertible bonds, ("**ZCCBs**"), for the amount of ₹ 96,305,800 deduction on expenses for the issue of the said ZCCBs for the amount of ₹ 157,536,929, addition of the amount of ₹ 8,851,124 under section 14A, and seeking the allowance of exchange rate fluctuation of ₹ 14,622,160 levy of an amount of ₹ 1,650,831 towards interest charged under section 234 C. The proceedings are currently pending.

3. FTIL has filed an appeal before the Commissioner of Income Tax (Appeals) in connection with the assessment year 2008-2009 against the disallowance of interest on zero coupon convertible bonds for the amount of ₹ 319,681,320, the addition of the amount of ₹ 30,769,942 under section 14A, and the disallowance of exchange rate fluctuation of ₹ 100,902,070. The proceedings are currently pending.

4. FTIL has filed an appeal before the Joint Commissioner of Sales Tax (Appeals) challenging the assessment orders dated March 17, 2011, April 28, 2011and March 31, 2011 for the assessment years 2005-2006, 2006-2007and 2008-2009 passed by the Deputy Commissioner of Sales Tax, Large Tax Payers Unit, Mumbai ("**Deputy Commissioner**") under Maharashtra Value Added Tax Act 2002. The Deputy Commissioner has also passed an order dated January 18, 2012 for the assessment year 2007-2008 under Maharashtra Value Added Tax Act 2002. The Deputy Commissioner has raised MVAT, interest and penalty aggregating to ₹ 1,765,293, ₹ 1,429,208, ₹ 2,165,753 and ₹ 2,818,072 for each of the respective assessment years mentioned above on FTIL on account of treating certain services provided to customers as sale of goods. The appeals by FTIL against the orders for assessment years 2005-2006, 2006-2007 and 2008-2009 have been admitted and the stay for the demands for ₹ 1,265,293, ₹ 1,029,208, and ₹ 2,068,072 have been granted on making part payments. FTIL is in the process of filing an appeal for the assessment year 2007-2008. The proceedings are currently pending.

5. FTIL has filed appeal before the Joint Commissioner of Sales Tax (Appeals) in connection with the assessment order dated April 28, 2011 for the assessment year 2006-2007 passed by the Deputy Commissioner of Sales Tax, Large Tax Payers Unit ("**Deputy Commissioner**") under Central Sales Tax Act, 1956. The Deputy Commissioner has levied CST, interest and penalty aggregating to ₹ 412,409 on FTIL on account of disallowing inter-state transaction for non submission of Form C. The appeal has been admitted and stay for the demands for ₹ 312,409 has been given on making part payments. The proceedings are currently pending.

Cases filed against our Group Companies

Civil Cases

1. Axis Bank Limited has filed an application for recovery (O.A. no. 281/09) before the Debt Recovery Tribunal, Cuttack for recovery of its dues against Subhranshu Kumar Jena amounting to ₹ 5,539,700.41. The National Bulk Handling Corporation Limited ("**NBHC**") is one of the defendant and pro-forma party. Though NBHC is a pro-forma party and no relief is sought against it, NBHC has appeared and supported the version of Axis Bank Limited. The proceedings are currently pending.

2. Bhandari Brothers has filed an injunction application vide civil suit (no. 02/10) in the District Court at Kota against NBHC and others in relation to a claim for money allegedly payable by the defendants in the proceedings being NBHC and others. Bhandari Brothers have also filed an appeal before the High Court against the rejection of their application for temporary injunction dated November 15, 2010. No date has yet been fixed for hearing of the appeal against the said order as the respondents have not been served a notice in the said appeal. The proceedings are currently pending.

3. State Bank of India has filed a matter (O. A. no. 138 of 2010) before the Debt Recovery Tribunal, Jabalpur against Suman Sales and NBHC for recovery of an amount of ₹ 5,304,419 from the defendant parties. NBHC has already paid a sum of ₹ 2.20 million towards its part of the claim amount. The matter is currently pending.

4. Shri Hari Enterprises has filed a civil suit (no. 118 of 2010) before the Civil Judge, Vadodra against NBHC and the State Bank of India claiming damages of ₹ 0.75 million. NBHC has filed an application before the Civil Judge stating that the matter be relegated to arbitration in Mumbai. The matter is currently pending.

5. The Collector of Stamps has issued a notice to NBHC in relation to deficit stamp duty and registration charges payable by NBHC of an amount of ₹ 4.40 million pertaining to the sale deeds executed in relation to the properties purchased in Tarana, Madhya Pradesh. The matter is currently pending before the Collector of Stamps.

6. Jitendra Kumar has filed a civil suit (no. 151 of 2011) before the Civil Judge, Mathura against Bhola Rice and General Mills and NBHC in relation to an alleged claim of ₹ 1,656,775.63 by Jitendra Kumar being the unpaid seller of the stock of rice which was taken on credit by Bhola Rice and General Mills and stocked in the warehouse of which NBHC is the collateral manager. The matter is currently pending.

7. Intergest India Private Limited has raised a dispute with respect to sub license of the premises by IEX at Statesman House and has referred the matter for arbitration. The matter is currently pending.

8. Shaktipada Samnata and Asit Pal have filed a civil suit (no.316 of 2010) before the Civil Judge (Senior Division) Bhubaneswar] against Spearhead Traders Private Limited, NBHC, Axis Bank, Ruchi Agro Cooling Private Limited and State Bank of India claiming ₹ 4,000,000 from Spearhead Traders Private Limited, NBHC and Axis Bank for loss resulting out of supply of potatoes. The matter is currently pending.

9. Manoj Kumar Pradhan, on behalf of Umashanker Rice Mills has filed a civil suit (no. 35 of 2011) before the Civil Judge (Senior Division), Sonepur, Orissa against NBHC for recovery of ₹ 211,134 for non-payment of consideration under a contract of delivery of rice. The matter is currently pending.

10. State Bank of India has filed a recovery suit (no. O.A. 141 of 2011) before the Debts Recovery Tribunal, Vishakapatnam against Gopala Reddy Associates and NBHC for recovery of ₹ 1,326,180. The matter is currently pending.

11. Gyanchand Mutha has filed a suit for recovery (no.130 of 2011) before the Court of District and Session Judge, Jaipur against Trade Swift Derivatives private Limited ("**TSD**"), Avant Mutha, son of the Petitioner, NBHC and our Company seeking a decree for recovery of ₹ 1,689,405 inclusive of interest. For further details, see section titled "Outstanding litigation- Cases filed against our Company" on page 391.

12. Dharamveer has filed a claim (no. 305/10-11) before the Deputy Collector cum District Magistrate – Mathura claiming to be lawful owners of certain piece of land. NBHC has purchased the part of land from original owners and some part of land from Usher Infra Logistics. NBHC has filed an application to be impleaded in the matter. The matter is currently pending.

13. Mohan Lal & Sons (**"Petitioner"**) has filed a writ petition (no. 16271 of 2011) before the High Court of Rajasthan for quashing the notice issued by the Superintendent of Police, Kota to NBHC and the lenders for not releasing the agricultural commodities held in the warehouse which was provided by the Petitioner as security to the lenders. NBHC was appointed as the collateral manager of the warehouse. The matter is currently pending.

Criminal Cases

1. A first information report (FIR no. 7/2008) has been lodged against General Mills India (P) Limited ("**General Mills**") and NBHC in relation to certain wheat stock alleged to be found to be in violation of Essential Commodities Act, 1955. Ketan Deasai of General Mills has filed a writ petition (no. 2002/08) in the Bombay High Court seeking to quash the first information report. By an order dated February 10, 2008,

the Bombay High Court has stayed the proceedings. The matter is currently pending.

2. Bharat Chandra Foods Private Limited has filed a criminal petition (No. 2989 of 2010) before the Orissa High Court against State of Orissa and NBHC to quash certain trial court proceedings on the ground that the cognizance order was passed without the magistrate taking recourse to the provisions of Section 202 of the Criminal Procedure Code and therefore the order of summoning is bad in law. The matter is currently pending.

Cases filed by our Group Companies

Criminal Cases

1. National Bulk Handling Corporation Limited, ("**NBHC**"), has filed three complaints before the Sub-Divisional Judicial Magistrate, Bhubhaneshwar against Bharat Chandra Food Products (P) Limited and others under section 138 of the Negotiable Instruments Act, 1881 for recovery/payment of ₹ 1,000,000 and ₹ 1,100,000 and ₹ 1,982,260 respectively. The proceedings are currently pending.

2. NBHC has filed complaint (1 CC no. 257/09) against Kalinga Oil & Refineries *inter alia* on the grounds of cheating, breach of trust and intimidation. Kalinga Oil & Refineries had approached the Orissa High Court challenging the dispensation of their appearance in person, which has been allowed. The trial is currently pending.

3. NBHC has filed proceedings (no. 516/09) under sections 138 read with 141 of the Negotiable Instruments Act, 1881 against Subhranshu Kumar Jena in the court of the subdivisional magistrate, Cuttack for recovering an amount of ₹ 300,000.00. The proceedings are currently pending.

4. NBHC had lodged a first information report (no. 257/09) against Janta Rice Mills, Burdwan. A charge-sheet has been filed against the owners of Janta Rice Mills for theft. The trial is yet to commence. However the custody of rice was given by the Court to Janta Rice Mills on furnishing Bonds of ₹ 2,500,000. Without permission of the Court, Janta Rice Mills sold the rice and therefore NBHC has filed a petition (no. 257/09) for forfeiture of bonds filed by Janta Rice Mills of ₹ 2,500,000 and deposit the same to the court.

5. NBHC has filed proceedings (CC no. 536/09) under sections 138 and141 of the Negotiable Instruments Act, 1881 against Kalinga Oil & Refineries for recovery of ₹ 3,200,689. The proceedings are pending.

6. NBHC has filed proceedings (CC no. 4806579 of 2011) under sections 138 and141 of the Negotiable Instruments Act, 1881 against Parbatty Paddy for recovery of ₹ 525,000. The proceedings are pending.

7. Sanjeev Chabra and others had removed the commodities, urad and menthol from the warehouse. In this regard, NBHC filed a first information report (no. 162/08) and the same is pending before the Court of Chief Judicial Magistrate, Udham Singh Nagar. The proceedings are pending.

8. NBHC had lodged a first information report against the borrower SK Jena and others for misappropriation of potatoes. Pursuant to the investigation, the police had filed a final report for closing the case instead of filing the charge sheet. So NBHC filed petition (no. 1CC 2528/10) for reversing the police report before the Court SDJM, Bhubaneshwar. The proceedings are pending.

9. NBHC has filed a petition before the Orissa High Court against the State of Orissa and others in relation to the inaction of the police station at Sasson, District Sambhalpur in not filing a charge sheet against the accused persons. The matter is currently pending.

10. NBHC has filed an appeal (CM APL no. 43 of 2011) before the Orissa High Court against the Kalinga Oil and Refineries seeking recall of the order passed by Orissa High Court granting exemption to Kalinga Oil and Refineries from personal appearance in the matter. The matter is currently pending.

11. NBHC has filed criminal complaint (no. 902 of 2011) before the Court of Sub-Divisional Judicial Magistrate, Cuttack, Orissa against Banshidhar Mohan Kumar and Kalinga Oil Refineries challenging a letter dated June 20, 2008, purportedly received by the accused (ex-employee of NBHC). Upon

investigation, the fact came out that his letter is fabricated and was never received by /at Cuttack office of NBHC. This letter, purportedly fabricated, has material effect on the 138 case pending against Kalinga Oil Refiners. Matter pending for recording the statement of NBHC.

12. NBHC has filed a first information report (no. 143 of 2011) at Adalaj Police Station, Ahemadabad against Dharmraj Agro Industries Limited ("**DAIL**") for misleading and cheating. DAIL in connivance with three ex-employees of NBHC stored non-basmati rice and confirmed the same to be basmati rice. Also, they submitted fabricated purchase bills to NBHC. The matter is currently pending.

13. NBHC has filed a complaint at Madhira Police Station, Khammam against Lanka Venugopala Krishna, proprietor of Sri Sai Krishna Cold Storage and his manager for allegedly conniving and colluding with the employees of NBHC and removing the commodities without release orders and delivery orders from the lender and NBHC respectively. The matter is currently pending.

14. NBHC has filed a first information report (no. 5 of 2011) at Kodavaluru Police Station, Nellore against Gopala Reddy Associates (**"GRA"**) for allegedly cheating the lender and NBHC in relation to a loan availed by GRA, wherein NBHC appointed as a collateral manager. GRA in connivance with the employees of NBHC removed the secured stock without release orders and delivery order from the lender and NBHC respectively. The matter is currently pending.

15. NBHC has filed a first information report (no. 81 of 2011) at Bhimadola Police Station, Hyderabad against Sri Sai Rice Tech (I) Private Limited and its directors for cheating the lender and NBHC by mixing husk with paddy, making false representation of number of bags stored and by mentioning inflated figure of paddy in the commodity declaration document. The matter is currently pending.

16. NBHC has filed a FIR (no. 06 of 2011) at Beed Police Station in relation to an incident of fire in the leased warehouse storing cotton seeds.

17. NBHC has filed a criminal complaint before the Judicial Magistrate – First Class, Gangavathi against former employees of NBHC alleging that such employees have cheated NBHC and the lender by falsely showing stocks in the godown as belonging to them, fabricating certain documents and obtaining a loan from the lender for their personal gain and not repaying the loan. The complaint is currently pending.

Civil Cases

1. NBHC has filed a petition (no. 2010 of 2011) dated April 5, 2010 before the State Consumer Disputes Redressal Commission, Madhya Pradesh against the Senior Divisional Manager, Oriental Insurance Company Limited under section 17 of Consumer Protection Act, 1986 claiming an amount of ₹ 9,237,454.38 in connection with alleged non-settlement of an insurance claim made by the NBHC, ₹ 100,000 towards alleged deficiency in services and unfair practices against the respondent and ₹ 100,000 towards costs along with 18% interest p.a. from the date of claim till realization. The proceedings are currently pending.

2. NBHC has filed a petition (CC 9 of 2010) before the State Consumer Disputes Redressal Commission, Orissa against Senior Divisional Manager, Oriental Insurance Company Limited under section 17 of Consumer Protection Act, 1986 seeking relief for an amount of ₹ 5,250,962 in connection with alleged non-settlement of an insurance claim made by the NBHC, ₹ 100,000 towards alleged deficiency in services and unfair practices and ₹ 100,000 towards costs along with 18% interest p.a. from the date of claim till realization. The proceedings are currently pending.

3. NBHC has filed a petition (CC no. 2 of 2009) dated January 8, 2010 before the National Consumer Disputes Redressal Commission, New Delhi against Senior Divisional Manager, Oriental Insurance Company Limited under section 19 of Consumer Protection Act, claiming an amount of ₹ 41,784,213 in connection with the non-settlement of an insurance claim made by the NBHC, ₹ 100,000 towards alleged deficiency in services and unfair practices and ₹ 100,000 towards costs along with 18% interest p.a. from the date of claim till realization. Oriental Insurance Company has filed a reply in the matter and NBHC is required to file a rejoinder to the same. The proceedings are currently pending.

4. NBHC has filed a company petition (no. 43 of 2011) before the High Court of Orissa against Bharat Chandra Foods for winding up of Bharat Chandra Foods Private Limited for dues amounting to ₹ 4,674,760. The matter is currently pending.

5. Financial Technologies, Middle East, DMCC and FT Group Investment Private Limited, Mauritius (collectively referred to as "**Claimants**") had filed a reference with the International Court of Arbitration, ("**ICC**"), against Dakin International Limited ("**Dakin**") and another seeking to recover a sum of approximately USD 5.41 million. An award of USD 5.41 million in addition to expenses has been made by ICC in favour of the Claimants. Pursuant to the award, the Claimants filed an application in Nyon District Court for attaching the assets of Dakin. The Nyon District Court had ordered for attachment of the asset of Dakin in Switzerland and the same was attached by the debt collection officer. Dakin filed an appeal challenging the said order of attachment and the order of attachment was vacated. The Claimants have filed an appeal challenging the said order. The proceedings are currently pending. The Claimants have also filed an application before the court at England and France for recognition of the award passed by ICC before initiating the execution proceedings in England and France. The court at England and France has recognised the said award vide their order dated February 1, 2012 and January 27, 2012 respectively.

Tax Proceedings

1. NBHC has filed an appeal (no. 642 of 2011) before the Additional Commissioner Tax challenging the assessment order of the Deputy Commissioner of Tax dated July 20, 2011 for payment of sales tax with a demand of ₹ 3,500,000 at Chandausi. The appeal has been allowed and a fresh hearing has been ordered in the matter.

2. NBHC has filed an appeal (no. 747 of 2011) before the Additional Commissioner Tax challenging the assessment order of the Deputy Commissioner of Tax for payment of sales tax with a demand of ₹ 9,442,157at Chandausi. The appeal has been allowed and a fresh hearing has been ordered in the matter.

3. NBHC has filed an appeal (no. 748 of 2011) before the Additional Commissioner Tax challenging the assessment order of the Deputy Commissioner of Tax for payment of sales tax with a demand of ₹ 3,298, 982 at Chandausi. The appeal has been allowed and a fresh hearing has been ordered in the matter.

4. The assessing officer vide its order dated November 29, 2011 assessed the tax liability of MCX-SX CCL for the assessment year 2009-2010 under section 143(3) of the Income Tax Act, 1961 after making certain additions and issued a demand notice for a sum of ₹ 246,070. MCX-SX CCL has made an application for rectification of an error apparent on record under section 154 of the Income Tax Act, 1961 and has also preferred an appeal against this order before the Commissioner of Income-tax (Appeals) under section 246(1)(a) of the Income Tax Act, 1961. The application for rectification as well as the appeal is presently pending.

Details of past penalties imposed on our Company or any of our Directors

None of our Directors have any penalties imposed against them in the past.

Details of past penalties imposed on our Promoter or the Group Companies

There have been no instances in the past of any penalties that have been imposed on our Promoter or the Group Companies by any statutory authorities.

Material Developments

There have been no material developments, since the date of the last balance sheet otherwise than as disclosed in the section titled 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 365.

LICENSES AND APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/or regulatory authorities, required for carrying out its present business and except as mentioned below, no further approvals are required for carrying on our Company's present business. The object clause and object incidental to the main objects of the Memorandum of Association enable the Company to undertake its existing activities.

In view of the approvals listed below, we can undertake this Offer and our current business activities and no further major approvals from any Government authority is required to continue these activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

Approvals in relation to the Offer

1. In-principle approval from the BSE dated May 19, 2011.

2. Letter of Approval (F. No. 4/1/2009/MD-I/2437) dated May 14, 2010 from the FMC granting no-objection in respect of the Offer.

3. Letters of Approval (F. No. 3/2/2009/MD-I/33222 dated June 18, 2010 and F. No. 4/1/2009/MD-I dated April 22, 2010) from the FMC waiving the stipulations contained in Clause 3.2 of the Equity Structure Guidelines and granting permission for the Offer subject to certain conditions as stipulated in the approval.

4. The Board has pursuant to its resolution dated June 29, 2009 and IPO Committee has, pursuant to its resolutions dated March 29, 2011 and March 31, 2011, authorised the Offer under the provisions of the Companies Act.

5. FTIL, SBI (Equity), Corporation Bank, GLG, BoB, Alexandra and ICICI Lombard have consented to the transfer of shares pursuant to the Offer in terms of the relevant resolutions passed by their respective board of directors.

6. Letter (FC.II. 42(2010)78(2010 dated August 25, 2011) from the Ministry of Finance, Department of Economic Affairs, FIPB Unit stating that the FII holding in the Company is limited to 23% and is restricted to the secondary markets, subject to prior approval of the RBI.

7. Letter dated November 29, 2011 from FIPB approving the sale of equity shares under the Offer from resident and non-resident shareholders to resident Indian nationals and SEBI registered FIIs subject to compliance with applicable FDI policy.

8. Letter dated November 29, 2011 from the RBI providing no-objection to the Offer subject to compliance of the Offer with its circular dated November 4, 2011.

9. Letters dated November 22, 2011 and January 31, 2012 by FMC granting extension of time till March 31, 2012 for compliance with the requirements of Clause 3.3 of the Equity Structure Guidelines dated July 29, 2009 and for finalizing the IPO of our Company.

Approvals in relation to incorporation and change of name

1. Certificate of incorporation dated April 19, 2002 issued by the RoC.

2. Fresh certificate of incorporation dated May 28, 2002 issued by the RoC pursuant to change in name of our Company from Multi Commodity Exchange of India Private Limited to Multi Commodity Exchange of India Limited upon conversion from private limited company to public limited company.

Approvals In Relation to Our Company's operations

Approvals from the FMC

1. FMC Trading permission (No. 1/4/2010/ MCX/Aluminium Mini) dated December 12, 2011

Commodity	Maximum allowable open position	Daily Price Limit
Copper Mini Validity: Contracts approved for the months of February, April, June, August and November 2012	Individual Clients: 5,000 metric tonnes for all copper contracts combined together. For a member collectively for all clients: 25,000 metric tonnes for all copper contracts combined together or 15% of the market wide open position, whichever is higher.	The base price limit will be 4%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with approval of FMC.
Nickel Mini Validity: Contracts approved for the months of January to December 2012	Individual Clients: 600 metric tonnes for all Nickel contracts combined together. For a member collectively for all clients: 3,000 metric tonnes for all Nickel contracts combined together or 15% of the market wide open position whichever is higher.	The base price limit will be 4%. Whenever the base daily price limit is breached, relaxation will be allowed up to 6% without any cooling off period in the trade. In case 6% is also breached, then after a cooling off period of 15 minutes the daily price limit will be relaxed up to 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.

2. FMC Trading permission (No. 1/1/2012- MCX-PER/4376) dated October 3, 2011

Commodity	Maximum allowable open position	Daily Price Limit
Gold Petal (New Delhi) Validity: Contracts	Individual Clients: 2.5 MT for all gold contracts combined together.	The base price limit will be 3%. Whenever the base daily price limit is

Commodity	Maximum allowable open position	Daily Price Limit
approved for the months of December 2011 to December 2012	For a member collectively for all clients: 12.5 MT or 15% of the market wide open position whichever is higher, for all gold contracts combined together.	breached, relaxation will be allowed up to 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes the daily price limit will be relaxed up to 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.

3. FMC Trading permission (No. 1/1/2012- PER/ MCX) dated August 16, 2011

Commodity	Maximum allowable open position	Daily Price Limit
Aluminium Validity: Contracts approved for the months of January to December 2012	Individual Clients: 15,000 metric tonnes for all Aluminium contracts combined together. For a member collectively for all clients: 75,000 or 15% of the market wide open position, whichever is higher for all Aluminium contracts combined together.	The base price limit will be 4%. Whenever the base daily price limit is breached, relaxation will be allowed up to 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes the daily price limit will be relaxed up to 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.
Aluminium Mini Validity: Contracts approved for the months of January to December 2012	Individual Clients: 15,000 metric tonnes for all Aluminium contracts combined together. For a member collectively for all clients: 75,000 or 15% of the market wide open position, whichever is higher for all Aluminium contracts combined together.	Base price limit 4%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15

Commodity	Maximum allowable open position	Daily Price Limit
		minutes, the daily price limit will be relaxed upto 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with approval of FMC.
Brent Crude Oil Validity: Contracts approved for the months of January to December 2012	Individual Clients: 400,000 barrels For a member collectively for all clients: 2,000,000 barrels or 15% of the market wide open position, whichever is higher.	Base price limit 4%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with approval of FMC.
Cardamom Validity: Contracts approved for the months of January to December 2012	Individual Clients: 160 metric tonnes For a member collectively for all clients: 800 metric tonnes or 15% of the market wide open position, whichever is higher. **Near month limits**: Individual Clients: 40 metric tonnes For a member collectively for all clients: 200 metric tonnes or 15% of the market wide open position, whichever is higher.	The base price limit will be 3%. Whenever the base daily price limit is breached, relaxation will be allowed up to 4% with a cooling off period of 15 minutes.
Crude Palm Oil Validity: Contracts approved for the months January to December 2012	Individual Clients: 25,000 metric tonnes For a member collectively for all clients: 125,000 metric tonnes or 15% of the market wide open position whichever is higher. **Near month limits**:	The base price limit will be (+/-) 3% If trade hits prescribed price limit, there will be cooling off period of 15 minutes. Trade will be allowed during this period within the price

Commodity	Maximum allowable open position	Daily Price Limit
	Individual Clients: 8,000 metric tonnes For a member collectively for all clients: 40,000 metric tonnes or 15% of the market wide open position, whichever is higher.	band. Thereafter price band would be raised by another (+/-) 1% and trade will be resumed. If price hits revised price band (4%) again during the day, trade will be allowed only within the revised price band. No trade/order shall be permitted during the day beyond the revised limit of (+/-) 4%.
Gold Guinea Validity: Contracts approved for the months January to December 2012	Individual Clients: 2.5 metric tonnes for all gold contracts combined together For a member collectively for all clients: 12.5 metric tonnes or 15% of market wide open position whichever is higher, for all gold contracts combined together.	The base price limit will be 3%. Whenever the base daily price limit is breached, relaxation will be allowed up to 6% without any cooling off period in the trade. In case the limit of 6% is also breached, then after a cooling off period of 15 minutes the daily price limit will be relaxed up to 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.
Gold Mini Validity: Contracts approved for the months January to December 2012	Individual Clients: 2.5 metric tonnes for all gold contracts combined together For a member collectively for all clients: 12.5 metric tonnes or 15% of market wide open position whichever is higher, for all gold contracts combined together.	The base price limit will be 3%. Whenever the base daily price limit is breached, relaxation will be allowed up to 6% without any cooling off period in the trade. In case the limit of 6% is also breached, then after a cooling off period of 15 minutes the daily price limit will be relaxed up to 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.

Commodity	Maximum allowable open position	Daily Price Limit
Gold Petal Validity: Contracts approved for the months January to December 2012	Individual Clients: 2.5 metric tonnes for all gold contracts combined together For a member collectively for all clients: 12.5 metric tonnes or 15% of market wide open position whichever is higher, for all gold contracts combined together.	The base price limit will be 3%. Whenever the base daily price limit is breached, relaxation will be allowed up to 6% without any cooling off period in the trade. In case the limit of 6% is also breached, then after a cooling off period of 15 minutes the daily price limit will be relaxed up to 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.
Iron Ore Validity: Contracts approved for the months of January to December 2012	Individual Clients: 1,000,000 dry metric tonnes For a member collectively for all clients: 3,000,000 dry metric tonnes or 15% of market wide open position, whichever is higher.	The base price limit is (+/-) 4% expandable upto (+/-) 6% without cooling off period in the trade and (+/-) 9% with a cooling off period of 15 minutes when the trade hits the prescribed daily price limited. The daily price limit is directly correlated with reference price or previous day's closing price. Incase international price volatility is more than (+/-) 9%, the daily price limit may be further relaxed in steps of 3% with the approval of FMC.
Lead Validity: Contracts approved for the months of January to December 2012	Individual Clients: 1,800 metric tonnes for all Lead contracts combined together For a member collectively for all clients: 9,000 metric tonnes or 15% of the market wide open position whichever is higher, for all Lead contracts combined together	The base price limit will be 4%. Whenever the base daily price limit is breached, relaxation will be allowed up to 6% without any cooling off period in the trade. In case 6% is also breached, then after a cooling off period of 15 minutes the daily price limit will be relaxed up to 9%. In case price movement in international

Commodity	Maximum allowable open position	Daily Price Limit
		markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.
Lead Mini Validity: Contracts approved for the months of January to December 2012	Individual Clients: 1,800 metric tonnes for all Lead contracts combined together For a member collectively for all clients: 9,000 metric tonnes or 15% of the market wide open position whichever is higher, for all Lead contracts combined together	The base price limit will be 4%. Whenever the base daily price limit is breached, relaxation will be allowed up to 6% without any cooling off period in the trade. In case 6% is also breached, then after a cooling off period of 15 minutes the daily price limit will be relaxed up to 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.
Maize – Feed Industrial Grade Validity: Contracts approved for the months of January to December 2012	Individual Clients: 20,000 metric tonnes For a member collectively for all clients: 100,000 metric tonnes or 15% of market wide open position, whichever is higher. **Near month limits**: Individual Clients: 5,000 metric tonnes For a member collectively for all clients: 25,000 metric tonnes or 15% of market wide open position, whichever is higher.	The base price limit will be 3%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 4% after a cooling off period of 15 minutes.
Mentha Oil Validity: Contracts approved for the months of January to December 2012	Individual Clients: 360 metric tonnes For a member collectively for all clients: 1,800 metric tonnes or 15% of the market wide open position, whichever is higher. **Near month limits**: Individual Clients: 120 metric tonnes For a member collectively for all clients: 600 metric tonnes or 15% of the market wide open position, whichever is higher.	The base price limit will be 3%. Whenever the base daily price limit is breached, relaxation will be allowed up to 4% with a cooling off period of 15 minutes.
Natural Gas	Individual Clients: 6,000,000 mmBtu	The base price limit will be 4%. Whenever the base

Commodity	Maximum allowable open position	Daily Price Limit
Validity: Contracts approved for the months of January to December 2012	For a member collectively for all clients: 30,000,000 mmBtu or 15% of market wide open position, whichever is higher.	daily price limit is breached, relaxation will be allowed up to 6% without any cooling off period in the trade. In case the 6% limit is also breached, then after a cooling off period of 15 minutes the daily price limit will be relaxed up to 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.
Nickel Validity: Contracts approved for the months of January to December 2012	Individual Clients: 600 metric tonnes For a member collectively for all clients: 3,000 metric tonnes or 15% of the market wide open position whichever is higher.	The base price limit will be 4%. Whenever the base daily price limit is breached, relaxation will be allowed up to 6% without any cooling off period in the trade. In case 6% is also breached, then after a cooling off period of 15 minutes the daily price limit will be relaxed up to 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.
Potato (Agra) Validity: Contracts approved for the months of January to December 2012	Individual Clients: – 20,000 metric tonnes for all Potato contracts combined together. For a member collectively for all clients: 100,000 metric tonnes or 15% of the market wide open position, whichever is higher, for all Potato contracts combined together. **Near month limits**: Individual Clients: 3,000 metric tonnes for all Potato contracts combined together. For a member collectively for all clients: 15,000 metric tonnes or 15% of the market wide open position whichever is higher, for all Potato contracts combined together.	(+/-) 3% from the previous day's closing price. If trade hits prescribed price limit, there will be cooling off period of 15 minutes. Trade will be allowed during this period within the price band. Thereafter price band would be raised by another (+/-) 1% and trade will be resumed. If price hits revised price band (4%) again during the day, trade will be allowed only within the revised price band. No trade/order shall be

Commodity	Maximum allowable open position	Daily Price Limit
		permitted during the day beyond the revised limit of (+/-) 4% from the previous day's closing price.
Potato (Tarkeshwar) Validity: Contracts approved for the months of January to December 2012	Individual Clients: – 20,000 metric tonnes for all Potato contracts combined together. For a member collectively for all clients: 100,000 metric tonnes or 15% of the market wide open position, whichever is higher, for all Potato contracts combined together. **Near month limits**: Individual Clients: 3,000 metric tonnes for all Potato contracts combined together. For a member collectively for all clients: 15,000 metric tonnes or 15% of the market wide open position whichever is higher, for all Potato contracts combined together.	The base price limit will be 3%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 4% after a cooling off period of 15 minutes.
Refined Soy Oil Validity: Contracts approved for the months of January to December 2012	Individual Clients: 25,000 metric tonnes For a member collectively for all clients: 125,000 metric tonnes or 15% of the market wide open position, whichever is higher. **Near month limits**: Individual Clients: 6,000 metric tonnes For a member collectively for all clients: 30,000 metric tonnes or 15% of the market wide open position, whichever is higher.	3%. Whenever the base daily price limit is breached, relaxation will be allowed up to 4% with a cooling off period of 15 minutes.
Sugar M-30 Medium Grade (SUGARMKOL) Validity: Contracts approved for the months of January to December 2012	Limit for aggregate contracts traded on all Exchanges: Individual Clients: 20,000 metric tones For a member collectively for all clients: 1,00,000 metric tonnes applicable for all the contracts together for Grade M and Grade S both including positions in expiry month or 15% of market wide open interest, whichever is higher. **Near month limits:** Following limits would be applicable for one month prior to the expiry of a contract Individual Clients: 8,000 metric tonnes For a member collectively for all clients:	(+/-) 3% If trade hits prescribed price limit, there will be cooling off period of 15 minutes. Trade will be allowed during this period within the price band. Thereafter price band would be raised by another (+/-) 1% and trade will be resumed. If price hits revised price band (4%) again during the day, trade will be allowed only within the revised price band. No trade/order shall be permitted during the day beyond the revised limit of (+/-) 4%.

Commodity	Maximum allowable open position	Daily Price Limit
	40,000 metric tonnes or 15% of market wide open position, whichever is higher.	
Zinc Validity: Contracts approved for the months of January to December 2012	Individual Clients: 3,600 metric tonnes for all the zinc contracts combined together For a member collectively for all clients: 18,000 metric tonnes or 15% of the market wide open position whichever is higher, for all zinc contracts combined together.	4%. Whenever the base price limit is breached, relaxation will be allowed up to 6% without any cooling off period in the trade. In case 6% is also breached, then after a cooling off period of 15 minutes the daily price limit will be relaxed up to 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.
Zinc Mini Validity: Contracts approved for the months of January to December 2012	Individual Clients: 3,600 metric tonnes for all the zinc contracts combined together For a member collectively for all clients: 18,000 metric tonnes or 15% of the market wide open position whichever is higher, for all zinc contracts combined together.	Base price limit 4%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of FMC.
Almond (Non Pariel) Validity: Contracts approved for the months of January to June 2012	Individual Clients: 120 metric tones For a member collectively for all clients: 360 metric tonnes or 15% of market wide open position limit, whichever is higher. **Near month limits**: Individual Clients: 40 metric tonnes	(+/-) 3% If trade hits prescribed price limit, there will be cooling off period of 15 minutes. Trade will be allowed during this period within the price band. Thereafter price band would be raised by another (+/-) 1% and trade will be

Commodity	Maximum allowable open position	Daily Price Limit
	For a member collectively for all clients: 120 metric tonnes or 15% of market wide open position limit, whichever is higher.	resumed. If price hits revised price band (4%) again during the day, trade will be allowed only within the revised price band. No trade/order shall be permitted during the day beyond the revised limit of (+/-) 4%.
Aviation Turbine Fuel Validity: Contract approved for the months of January to June 2012	Individual Clients: 600,000 barrels For a member collectively for all clients: 3,000,000 barrels or 15% of the open market position whichever is higher.	Base price limit 4%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of FMC.
Barley Validity: Contract approved for the months of January to June 2012	Individual Clients: 6,500 metric tonnes For a member collectively for all clients: 32,500 metric tonnes or 15% of market wide open position, whichever is higher. **Near month limits**: Individual Clients: 1,300 metric tonnes For a member collectively for all clients: 6,500 metric tonnes or 15% of market wide open position, whichever is higher.	The base price limit will be 2%. Whenever the base daily price limit is breached, relaxation will be allowed up to 4% with a cooling off period of 15 minutes.
Chanadel Validity: Contracts approved for the months of January to June 2012	Individual Clients: 20,000 metric tonnes For a member collectively for all clients: 100,000 metric tonnes or 15% of market wide open position, whichever is higher. **Near month limits**: Individual Clients: 4,000 metric tonnes	The initial base price limit will be 3%. Additional daily price limits after 15 minutes cooling off period will be 1%. Therefore maximum daily price limit will be 4%.

Commodity	Maximum allowable open position	Daily Price Limit
	For a member collectively for all clients: 20,000 metric tonnes or 15% of market wide open position, whichever is higher.	
Coriander Validity: Contract approved for the months of January to June 2012	Client level: 1,500 metric tonnes Member Level: 7,500 metric tonnes or 15% of the market-wide open position, whichever is higher. **Near month limits**: Individual Clients: 500 metric tonnes For a member collectively for all clients: 2,500 metric tonnes or 15% of market wide open position, whichever is higher.	The base price limit will be 3%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 4% with a cooling off period of 15 minutes.
Cotton Validity: Contracts approved for the months of October and November 2012	Individual Clients: 50,000 bales For a member collectively for all clients: 150,000 bales or 15% of the market wide open positions whichever is higher. **Near month limits**: Individual clients: 10,000 bales For a member collectively for all clients: 30,000 bales or 15% of the market wide open position whichever is higher.	The base price limit will be 3%. Whenever the base daily price limit is breached the relaxation will be allowed upto 4% with a cooling off period of 15 minutes.
Cotton Seed Wash Oil Validity: Contracts approved for the months January to June 2012	Limit for aggregate contracts in cotton seed wash oil traded on all Exchanges: Individual Clients: 8,000 metric tones For a member collectively for all clients: 40,000 metric tonnes or 15% of market wide open position, whichever is higher. **Near month limits**: Individual Clients: 2,000 metric tonnes For a member collectively for all clients: 10,000 metric tonnes or 15% of market wide open position, whichever is higher.	The base price limit will be 3%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 4% after a cooling off period of 15 minutes.
Gasoline Validity: Contract approved from January to June 2012	For individual clients: 5,000 contracts For member collectively for all clients: 25,000 contracts or 15% of the market-wide open position whichever is higher.	The base price limit will be 4% which the exchange may revise up to (+/-) 6% without observing any cooling period. If the trade hits price limit of 6%, the daily price limit will be

Commodity	**Maximum allowable open position**	**Daily Price Limit**
		revised further by (+/-) 3% after observing a cooling period for five minutes. Trade will be allowed during this cooling off period within the price limit. The price limit beyond 9% will be relaxed after 15 minutes with the approval of the FMC.
Guar seed Validity: Contract approved from January to June 2012	For individual clients: 3,000 metric tonnes For member collectively for all clients: 15,000 metric tonnes or 15% of the market-wide open position, whichever is higher. **Near Month Limits**: For individual clients: 1,000 metric tonnes For a member collectively for all clients: 5,000 metric tonnes or 15% of the market wide open position, whichever is higher.	The base price limit will be 3%. Whenever the base daily price limit is breached, the relaxation will be allowed up to 4% with cooling off period of 15 minutes.
Heating Oil Validity: Contracts approved for the months January to June 2012	Individual Clients: 5,000 contracts For a member collectively for all clients: 25,000 contracts or 15% of market wide open position, whichever is higher.	The base price limit will be 4%, which our Company may revise up to (+/-) 6% without observing any cooling period. If trade hits price limit of 6%, the daily price limit will be revised further by (+/-) 3% after observing a cooling period for five minutes. Trade will be allowed during this cooling off period within the price limit. The price limit beyond 9% will be relaxed after 15 minutes with the approval of the Commission.
Kapasia Khalli (Cottonseed Oilcake) Validity: Contract approved for the months of January to June 2012	Individual Clients: 20,000 metric tonnes For a member collectively for all clients: 100,000 metric tonnes or 15% of the market wide open position, whichever is higher. **Near month limits**: Individual Clients: 5,000 metric tonnes For a member collectively for all clients: 25,000 metric tonnes or 15% of the market wide open position, whichever is higher.	The base price limit will be 3%. Whenever the base daily price limit is breached, relaxation will be allowed up to 4% with a cooling off period of 15 minutes.

Commodity	Maximum allowable open position	Daily Price Limit
Melted Menthol Flakes Validity: Contract approved for the months of January to June 2012	Individual Clients: 300 metric tonnes For a member collectively for all clients: 1,500 metric tonnes or 15% of market wide open position, whichever is higher **Near month limits:** For Individual clients:100 metric tonnes For a Member collectively for all clients: 500 metric tonnes or 15% of the Market-Wide open position, whichever is higher.	The base price limit will be 3%. Whenever the base daily price limit is breached, relaxation will be allowed up to 4% with a cooling off period of 15 minutes.
Platinum Validity: Contracts approved for the months of January to June 2012	Individual Clients: 150 kilograms. For a member collectively for all clients: 750 kilograms or 15% of the market wide open position, whichever is higher.	The base price limit will be 4%. Whenever the base daily price limit is breached, the relaxation will be allowed up to 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. In case of price movement in the international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of FMC.
RBD Palmolein Validity: Contracts approved for the months of January to June 2012	Individual Clients: 7500 metric tonnes For a member collectively for all clients: 22,500 metric tonnes or 15% of the market-wide open position, whichever is higher. **Near month limits:** For Individual clients:1,500 metric tonnes For a Member collectively for all clients: 4,500 metric tonnes or 15% of the Market-Wide open position, whichever is higher.	Daily price fluctuation limit is (+/-) 2%. If the trade hits the prescribed daily price limit, there will be a cooling off period for 15 minutes. Trade will be allowed during this colloing off period within the price band. Thereafter the price band would be raised by another (+/-) 2% and trade will be resumed. If the price hits the revised price band (4%) again during the day, trade will only be allowed within the revised price band. No trade/order shall be

Commodity	Maximum allowable open position	Daily Price Limit
		permitted during the day beyond the revised limit of (+/-) 4%.
Red Chilli Validity: Contracts approved for the months January to June 2012	Individual Clients: 2,500 metric tonnes For a member collectively for all clients: 12,500 metric tonnes or 15% of market wide open position, whichever is higher. **Near month limits**: Individual Clients: 800 metric tonnes For a member collectively for all clients: 4,000 metric tonnes or 15% of the market wide open position, whichever is higher.	The daily price fluctuation limit is (+/-) 2% If trade hits prescribed daily price limit, there will be cooling off period for 15 minutes. Trade will be allowed during this period within the price band. Thereafter price band would be raised by another (+/-) 2% and trade will be resumed. If the price band hits revised price band (4%) again during the day, trade will be allowed only within the revised price band. No trade/order shall be permitted during the day beyond the revised limit of (+/-) 4%.
Rubber Validity: Contract approved for the months of January to June 2012	Individual Clients: 4,000 metric tonnes For a member collectively for all clients: 12,000 metric tonnes or 15% of market wide open position, whichever is higher. **Near month limits**: Individual Clients: 1,250 metric tonnes For a member collectively for all clients: 5,000 metric tonnes or 15% of market wide open position, whichever is higher.	The base price limit will be 3%. Whenever the base daily price limit is breached, relaxation will be allowed up to 4% with a cooling off period of 15 minutes.
Soya bean Validity: Contracts approved for the months of January to June 2012	Individual Clients: 30,000 metric tonnes For a member collectively for all clients: 150,000 metric tonnes or 15% of market wide open position, whichever is higher. **Near month limits**: Individual Clients: 8,000 metric tonnes For a member collectively for all clients: 40,000 metric tonnes or 15% of market wide open position, whichever is higher.	The base price limit will be 3%. Whenever the base daily price limit is breached, relaxation will be allowed up to 4% with a cooling off period of 15 minutes.
Mild Steel Ingot/ Billets	Individual Clients: 120,000 metric tonnes	The base price limit will be 4%. Whenever the base

Commodity	Maximum allowable open position	Daily Price Limit
Validity: Contract approved for the months of January to June 2012	For a member collectively for all clients: 600,000 metric tonnes or 15% of market wide open position, whichever is higher.	daily price limit is breached, relaxation will be allowed up to 6% with a cooling off period of 15 minutes.
Imported thermal coal Validity: Contract approved for the months of January to June 2012	Individual Clients: 400,000 metric tones For a member collectively for all clients: 2,000,000 metric tonnes or 15% of the market wide open position, whichever is higher.	The base price limit will be 4%. Whenever the base daily price limit is breached, relaxation will be allowed up to 6% without any cooling off period in the trade. In case 6% is also breached, then after a cooling off period of 15 minutes the daily price limit will be relaxed up to 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.
Tin Validity: Contract approved for the months of January to June 2012	Individual Clients: 440 metric tonnes For a member collectively for all clients: 2,200 metric tonnes or 15% of market wide open position, whichever is higher.	The base price limit will be 4%. Whenever the base daily price limit is breached, relaxation will be allowed up to 6% without any cooling off period in the trade. In case 6% is also breached, then after a cooling off period of 15 minutes the daily price limit will be relaxed up to 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.
Turmeric Validity: Contract approved for the months of January to June 2012	Individual Clients: 4,000 metric For a member collectively for all clients: 20,000 metric tonnes or 15% of the market wide open position, whichever is higher.	The base price limit will be 2%. Whenever the base daily price limit is breached, relaxation will be allowed up to 4% with a

Commodity	Maximum allowable open position	Daily Price Limit
	Near month limits: Individual Clients: 1,000 metric tonnes For a member collectively for all clients: 5,000 metric tonnes or 15% of the market wide open position, whichever is higher.	cooling off period of 15 minutes.
Wheat Validity: Contracts approved for the months of January to June 2012	Individual Clients: 20,000 metric tones For a member collectively for all clients: 100,000 metric tonnes or 15% of market wide open position, whichever is higher. **Near month limits**: Individual Clients: 5,000 metric tonnes For a member collectively for all clients: 25,000 metric tonnes or 15% of market wide open position, whichever is higher.	(+/-) 3%. If trade hits prescribed price limit, there will be cooling off period of 15 minutes. Trade will be allowed during this period within the price band. Thereafter price band would be raised by another (+/-) 1% and trade will be resumed. If price hits revised price band (4%) again during the day, trade will be allowed only within the revised price band. No trade/order shall be permitted during the day beyond the revised limit of (+/-) 4%.

4. ***FMC Trading permission (No. 1/1/2012-MCX- PER) dated July 4, 2011***

Commodity	Maximum allowable open position	Daily Price Limit
Silver Micro Validity: Contracts approved for February to November 2012	Individual Clients: 60 metric tonnes for all silver contracts combined together For a member collectively for all clients: 300 metric tonnes or 15% of the market wide open position whichever is higher, for all silver contracts combined together.	The base price limit will be 4%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of the FMC.

5. FMC Trading permission (No. 1/3/2010-MCX- Cotton) dated June 24, 2011

Commodity	Maximum allowable open position	Daily Price Limit
Cotton Validity: Contracts approved for October 2011 to July 2012	<u>Individual Clients</u>: 50,000 bales <u>For a member collectively for all clients</u>: 150,000 bales or 15% of the market wide open positions whichever is higher. **Near month limits**: <u>Individual clients</u>: 10,000 bales <u>For a member collectively for all clients</u>: 30,000 bales or 15% of the market-wide open position whichever is higher.	The base price limit will be 3%. Whenever base daily price limit is breached, the relaxation will be allowed upto 4% with a cooling off period of 15 minutes.

6. FMC Trading permission (No. 1/1/2012-MCX- PER 2099) dated May 13, 2011

Commodity	Maximum allowable open position	Daily Price Limit
Kapas Validity: Contracts approved for the months March and April 2012	<u>Individual Clients</u>: 25,000 metric tonnes <u>For a member collectively for all clients</u>: 75,000 metric tonnes or 15% of the market-wide open position, whichever is higher. **Near month limits**: <u>For individual clients</u>: 5,000 metric tonnes <u>For a member collectively for all clients</u>: 15,000 metric tonnes or 15% of the market wide open positions whichever is higher.	The base price limit is (+/-) 3% from the previous days closing price. If the trade daily price limit the relaxation would be allowed upto 4% and there will be a cooling off period for 15 minutes.

7. FMC trading permission(1/1/2011 – MCX/ PER) dated April 15, 2011

Commodity	Maximum allowable open position	Daily Price Limit
Crude oil Validity: Contracts approved from January to December 2012	<u>Individual Clients</u>: 480,000 barrels <u>For a member collectively for all clients</u>: 2,400,000 barrels or 15% of the market wide open position, whichever is higher.	The base price limit will be 4%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. In case price movement in international markets is more than the maximum daily price limit (currently

Commodity	Maximum allowable open position	Daily Price Limit
		9%), the same may be further relaxed in steps of 3% with approval of FMC.
Gold Validity: Contracts approved for the months of February, April, June, August, October and December 2012	Individual Clients: 2.5 metric tonnes for all Gold contracts combined together For a member collectively for all clients: 12.5 metric tones or 15% of the market wide open position whichever is higher, for all Gold Contracts Combined toether	The base price limit will be 3%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with approval of FMC.
Silver Validity: Contracts approved for the months of March, May, July September and December 2012	Individual Clients: 60 metric tonnes for all silver contracts combined together. For a member collectively for all clients: 300 metric tonnes or 15% of the market wide open position whichever is higher, for all Silver Contracts combined together.	The base price limit will be 4%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with approval of FMC.
Silver Mini Validity: Contracts approved for the months of February, April, June August and November 2012	Individual Clients: 60 metric tonnes for all silver contracts combined together. For a member collectively for all clients: 300 metric tonnes or 15% of the market wide open position whichever is higher, for all Silver Contracts combined together.	The base price limit will be 4%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case

Commodity	Maximum allowable open position	Daily Price Limit
		the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with approval of FMC.
Copper Validity: Contracts approved for the months of February, April, June, August and November 2012	Individual Clients: 5,000 metric tonnes For a member collectively for all clients: 25,000 metric tonnes or 15% of the market wide open position, whichever is higher.	The base price limit will be 4%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with approval of FMC.

8. ***FMC Trading permission (No. 1/2/2008/ MCX- Carbon Credit) dated January 17, 2008***

Commodity	Maximum allowable open position	Daily Price Limit
Carbon Credits-ECX-CFI Validity: Contracts approved for December 08, December 09, December 10, December 11 and December 12)	Individual Clients: 500,000 metric tonnes For a member collectively for all clients: Not more than 25% of the Market's open position in contract at any point of time.	5%

All of the above approvals are subject to:

(a) A limit on open position of each member and non-member client and the limit on daily price fluctuation and special margins as specified in the contract specification;

(b) Once the contracts are commenced, no terms of the contract specifications should be changed without prior approval of the FMC; and

(c) The permission granted for the said contracts is subject to daily mark to market settlement of outstanding contracts as per the procedure and delivery mechanism / process specified in the bye laws, rules and regulations of the Exchange

Tax-related Approvals

1. Permanent Account Number issued by the Income Tax Department is AADCM8239K.

2. TIN 27850364443 V under the Maharashtra VAT Act, 2002 dated and valid from April 1, 2006.

3. TIN (Central) 27850364443 C under the Central Sales Tax (Registration and Turnover) Rules, 1957 dated and valid from April 1, 2006.

4. Certificate No 27850364443P under Section 5(1) of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 dated April 21, 2011.

5. Certificate No 1/1/29/18/6886 for enrolment under Sections 5(2) and 5(2A) of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 dated June 27, 2003.

6. Tax Deduction Account Number of our Company: MUMM 18035D

Corporate Approvals

1. Approval (no. 12/3/IT/2003) dated September 26, 2003 from the Ministry of Consumer Affairs granting recognition to our Company on a permanent basis in all commodities to which section 15 of the FCRA applies and with the prior permission of the FMC in all commodities to which neither section 15 nor section 17 of the FCRA applies.

2. Approval No 3/91/2004-CL.VII vide letter dated April 1, 2005 from the Ministry of Company Affairs to increase the total number of directors from twelve to eighteen as per Article 30 of the Articles of Association of our Company. Our Company was granted time up to March 31, 2006 to increase the number of Directors, which was extended for a further period up to July 31, 2006 by of way of letter dated June 12, 2005.

3. Letter of Approval (SRN no. A70130547) dated April 8, 2010 from the Ministry of Corporate Affairs approving the terms of remuneration and appointment of Lambertus Rutten (a Dutch national) as Managing Director and CEO of our Company for a period of three years with effect from July 1, 2009.

Intellectual Property Approvals

Trademark registrations received:

S. No.	Nature and Description of the Approval	Effective from	Date of certificate
1.	Registration granted for the trademark “India’s No.1 Commodity Exchange MCX” under class 42	October 10, 2007	March 23, 2009
2.	Registration granted for the trademark “MCX India’s No.1 Commodity Exchange A Financial Technologies Group Company” under class 36	March 19, 2008	March 31, 2009
3.	Registration granted for the trademark “MCX India’s No.1 Commodity Exchange A Financial Technologies Group Company” under class 35	March 19, 2008	March 31, 2009
4.	Registration granted for the trademark “MCX India’s No.1 Commodity Exchange A Financial Technologies Group Company” under class 16	March 19, 2008	March 31, 2009
5.	Registration granted for the trademark “MCX India’s No.1 Commodity Exchange A Financial Technologies Group Company” under class 42	March 19, 2008	March 31, 2009

S. No.	Nature and Description of the Approval	Effective from	Date of certificate
6.	Registration granted for the trademark "India's No.1 Commodity Exchange MCX" under class 9	October 10, 2007	March 31, 2009
7.	Registration granted for the trademark "MCX India's No.1 Commodity Exchange" under class 42	October 10, 2007	March 31, 2009
8.	Registration granted for the trademark "India's No.1 Commodity Exchange MCX" under class 38	October 10, 2007	March 31, 2009
9.	Registration granted for the trademark "MCX India's No.1 Commodity Exchange" under class 38	October 10, 2007	March 31, 2009
10.	Registration granted for the trademark "MCX COMDEX" under class 35	December 13, 2006	March 28, 2008
11.	Registration granted for the trademark "MCX COMDEX" under class 36	December 13, 2006	March 27, 2008
12.	Registration granted for the trademark "MCX COMDEX" under class 38	December 13, 2006	March 28, 2008
13.	Registration granted for the trademark "MCX COMDEX" under class 42	December 13, 2006	October 14, 2008
14.	Registration granted for the trademark "COMDEX" under class 36	December 13, 2006	March 28, 2008
15.	Registration granted for the trademark "COMDEX" under class 38	December 13, 2006	March 28, 2008
16.	Registration granted for the trademark "INDIANGOLD" under class 16	December 11, 2003	September 14, 2006
17.	Registration granted for the trademark "GOLDINDIA" under class 16	December 11, 2003	June 29, 2007
18.	Registration granted for the trademark "SILVERINDIA" under class 16	December 18, 2003	February 14, 2009
19.	Registration granted for the trademark "INDIANSILVER" under class 9	December 18, 2003	September 20, 2005
20.	Registration granted for the trademark "SILVERINDIA" under class 9	December 18, 2003	December 3, 2005
21.	Registration granted for the trademark "INDIANSILVER" under class 16	December 18, 2003	September 20, 2005
22.	Registration granted for the trademark "MULTI COMMODITY EXCHANGE" under class 9	January 31, 2003	October 30, 2006
23.	Registration granted for the trademark "M Multi Commodity Exchange" under class 36	April 7, 2005	July 12, 2008
24.	Registration granted for the trademark "National Multi Commodity Exchange of India" under class 9	February 5, 2003	March 25, 2008
25.	Registration granted for the trademark "National Multi Commodity Exchange of India" under class 16	February 5, 2003	March 25, 2008
26.	Registration granted for the trademark "Multi Commodity Exchange of India" under class 9	January 31, 2003	October 22, 2008
27.	Registration granted for the trademark "Multi Commodity Exchange" under class 16	January 31, 2003	October 17, 2005
28.	Registration granted for the trademark "Winning with MCX" under class 36	April 7, 2005	June 11, 2007
29.	Registration granted for the trademark "MCXINDIA" under class 16	December 24, 2003	May 25, 2006
30.	Registration granted for the trademark "MCX" under class 9	February 28, 2006	February 25, 2008
31.	Registration granted for the trademark "MCX" under class 16	February 28, 2006	February 26, 2008
32.	Registration granted for the trademark "MCX" under class 42	February 28,	February 27,

S. No.	Nature and Description of the Approval	Effective from	Date of certificate
		2006	2008
33.	Registration granted for the trademark “MCX” under class 36	February 28, 2006	February 23, 2008
34.	Registration granted for the trademark “MCXSYDNEY” under class 16	December 24, 2003	December 8, 2005
35.	Registration granted for the trademark “MCXTOKYO” under class 16	December 24, 2003	December 8, 2005
36.	Registration granted for the trademark “@ MCX – WE UNDERSTAND COMMODITIES, …” under class 16	December 31, 2003	December 8, 2005
37.	Registration granted for the trademark “MCXKL” under class 16	December 24, 2003	October 25, 2005
38.	Registration granted for the trademark “MCXNEWYORK” under class 16	December 24, 2003	October 3, 2005
39.	Registration granted for the trademark “MCX Trade with Trust” under class 9	March 10, 2006	August 27, 2008
40.	Registration granted for the trademark “MCX Trade with Trust” under class 16	March 10, 2006	September 2, 2008
41.	Registration granted for the trademark “MCX Trade with Trust” under class 42	March 10, 2006	August 21, 2008
42.	Registration granted for the trademark “MCX Trade with Trust” under class 35	January 11, 2007	October 8, 2008
43.	Registration granted for the trademark “MCX Trade with Trust” under class 36	March 10, 2006	August 8, 2008
44.	Registration granted for the trademark “MCX Trade with Trust Commodity Markets Vision Series” under class 9	January 15, 2007	October 8, 2008
45.	Registration granted for the trademark “MCX Trade with Trust Commodity Markets Vision Series” under class 16	January 15, 2007	October 13, 2008
46.	Registration granted for the trademark “MCX Trade with Trust Commodity Markets Vision Series” under class 36	January 15, 2007	October 10, 2008
47.	Registration granted for the trademark “MCX Trade with Trust Commodity Markets Vision Series” under class 38	January 15, 2007	October 8, 2008
48.	Registration granted for the trademark “MCX Trade with Trust Commodity Markets Vision Series” under class 41	January 15, 2007	October 11, 2008
49.	Registration granted for the trademark “MCX Trade with Trust Commodity Markets Vision Series” under class 42	January 15, 2007	October 13, 2008
50.	Registration granted for the trademark “MCX Trade with Trust Commodity Markets Vision Series” under class 35	January 15, 2007	October 8, 2008
51.	Registration granted for the trademark “VEGEX” under class 35	December 13, 2006	March 28, 2008
52.	Registration granted for the trademark “VEGEX” under class 36	December 13, 2006	March 28, 2008
53.	Registration granted for the trademark “VEGEX” under class 38	December 13, 2006	March 28, 2008
54.	Registration granted for the trademark “VEGEX” under class 42	December 13, 2006	March 28, 2008
55.	Registration granted for the trademark “VEGEXMUM” under class 35	December 13, 2006	March 28, 2008
56.	Registration granted for the trademark “VEGEXMUM” under class 36	December 13, 2006	March 28, 2008
57.	Registration granted for the trademark “VEGEXMUM” under class 38	December 13, 2006	March 28, 2008
58.	Registration granted for the trademark “VEGEXMUM” under class 42	December 13, 2006	March 28, 2008

S. No.	Nature and Description of the Approval	Effective from	Date of certificate
59.	Registration granted for the trademark “NACE” under class 40	April 11, 2007	March 31, 2009
60.	Registration granted for the trademark “NS ROADEX” under class 36	December 13, 2006	March 28, 2008
61.	Registration granted for the trademark “NS ROADEX” under class 42	December 13, 2006	March 28, 2008
62.	Registration granted for the trademark “RAINDEX” under class 36	December 13, 2006	March 28, 2008
63.	Registration granted for the trademark “ROADEX” under class 36	December 13, 2006	March 28, 2008
64.	Registration granted for the trademark “EW ROADEX” under class 42	December 13, 2006	March 28, 2008
65.	Registration granted for the trademark “RAINDEXIDR” under class 36	December 13, 2006	March 28, 2008
66.	Registration granted for the trademark “RAINDEXMUM” under class 36	December 13, 2006	March 28, 2008
67.	Registration granted for the trademark “RAINDEXMUM” under class 38	December 13, 2006	March 28, 2008
68.	Registration granted for the trademark “RAINDEXMUM” under class 42	December 13, 2006	October 14, 2008
69.	“MCX India’s No.1 Commodity Exchange” under class 36	October 10, 2007	March 31, 2009
70.	Registration granted for the trademark “MCX India’s No. 1 Commodity Exchange A Financial Technologies Group Company” under class 38	March 19, 2008	March 31, 2009
71.	Registration granted for the trademark “MCX India’s No. 1Commodity Exchange A Financial Technologies Group Company” under class 9	March 19, 2008	March 31, 2009
72.	Registration granted for the trademark “MCX India’s No. 1 Commodity Exchange” under class 9	October 10, 2007	March 31, 2009
73.	Registration granted for “NACE” under class 36	April 11, 2007	March 31, 2009
74.	Registration granted for “NACE” under class 38	April 11, 2007	March 31, 2009
75.	Registration granted for “RAINDEXIDR” under class 35	December 13, 2006	March 3 2011
76.	Registration granted for “RAINDEXIDR” under class 38	December 13, 2006	March 3, 2011
77.	Registration granted for “RAINDEXMUM” under class 35	December 13, 2006	March 3, 2011
78.	Registration granted for “NS ROADEX” under class 35	December 13, 2006	March 3, 2011
79.	Registration granted for “NS ROADEX” under class 38	December 13, 2006	March 3, 2011
80.	Registration granted for “MCX METAL INDEX” under class 38	December 13, 2006	March 3, 2011
81.	Registration granted for “MCX ENERGY INDEX” under class 36	December 13, 2006	March 3, 2011
82.	Registration granted for “COMDEX” under class 35.	December 13, 2006	March 3, 2011
83.	Registration granted for “MCX AGRI INDEX” under class 35	December 13, 2006	March 4, 2011
84.	Registration granted for “MCX AGRI INDEX” under class 36	December 13, 2006	March 4, 2011
85.	Registration granted for “MCX AGRI INDEX” under class 38	December 13, 2006	March 4, 2011
86.	Registration granted for “MCX ENERGY INDEX” (LABEL) under	December 13,	March 4, 2011

S. No.	Nature and Description of the Approval	Effective from	Date of certificate
	class 35	2006	
87.	Registration granted for “MCX METAL INDEX” under class 35	December 13, 2006	March 4, 2011
88.	Registration granted for “MCX METAL INDEX” under class 36	December 13, 2006	March 4, 2011
89.	Registration granted for “RAINDEX” under class 35	December 13, 2006	March 4, 2011
90.	Registration granted for “ROADEX” under class 38	December 13, 2006	March 2, 2011
91.	Registration granted for “EW ROADEX” (LABEL) under class 36	December 13, 2006	March 4, 2011
92.	Registration granted for “MCX Trade with Trust” under Class 35	January 8, 2007	March 22, 2011
93.	Registration granted for “MCX ACT” (LABEL) under class 9.	March 4, 2010	March 30, 2011
94.	Registration granted for “MCX ACT” (LABEL) under class 16.	March 4, 2010	March 30, 2011
95.	Registration granted for “MCX ACT” (LABEL) under class 36.	March 4, 2010	March 30, 2011
96.	Registration granted for “MCX ACT” (LABEL) under class 41.	March 4, 2010	April 1, 2011
97.	Registration granted for “MCX METAL & ENERGY TRADE WITH TRUST” (LABEL) under class 9.	March 10 2010	April 1, 2011
98.	Registration granted for “MCX METAL & ENERGY TRADE WITH TRUST” (LABEL) under class 16.	March 10 2010	April 1, 2011
99.	Registration granted for “MCX METAL & ENERGY TRADE WITH TRUST” (LABEL) under class 36.	March 10 2010	April 1, 2011
100.	Registration granted for “MCX METAL & ENERGY TRADE WITH TRUST” (LABEL) under class 38.	March 10 2010	April 1, 2011
101.	Registration granted for “MCX METAL & ENERGY TRADE WITH TRUST” (LABEL) under class 41.	March 10 2010	April 1, 2011
102.	Registration granted for “MCX ACT MINI’ (LABEL) under class 9.	March 4 2010	April 5, 2011
103.	Registration granted for “EW ROADEX” (LABEL) under class 38	December 13, 2006	March 2, 2011
104.	Registration granted for “ROADEX” (LABEL) under class 35	December 13, 2006	March 2, 2011
105.	Registration granted for “EW ROADEX” (LABEL) under class 35	December 13, 2006	March 3, 2011
106.	Registration granted for “MCX ENERGY INDEX” under class 38	December 13 2006	March 4, 2011
107.	Registration granted for “MCX India’s No.1 Commodity Exchange” under class 35	October 10, 2007	March 23, 2009
108.	Registration granted for “India’s No. 1 Commodity Exchange” under class 16	October, 10, 2007	September, 17, 2009
109.	Registration granted for “RAINDEX” under class 38	December 13, 2006	March 3, 2011
110.	Registration granted for “India’s No. 1 Commodity Exchange MCX” under Class 36	October 10, 2007	March 18, 2011
111.	Registration granted for “MCX India’s No. 1 Commodity Exchange (LABEL) under Class 16	October 10, 2007	March 18, 2011
112.	“MCX Metal and Energy Trade with Trust” under class 6	March 10, 2010	November 28, 2011
113.	“MCX Metal and Energy Trade with Trust” under class 11	March 10, 2010	November 28, 2011

Copyright registrations received:

1. Regn no. L-32105 dated February 23, 2009 - literary work published in India in 2005 (contract specification of gold mini)

2. Regn no. L-31397/2008 dated September 22, 2008 - literary work published in India in 2005 (contract specification of coriander)

3. Regn no. L-32068/2009 dated February 19, 2009 - literary work published in India in 2005 (contract specification of cotton short)

4. Regn no. L-32066/2009 dated February 19, 2009 - literary work published in India in 2005 (contract specification of cotton medium staple)

5. Regn no. L-32089/2009 dated February 20, 2009 - literary work published in India in 2005 (contract specification of coffee (Robusta))

6. Regn no. L-31988/2009 dated February 4, 2009 - literary work published in India in 2005 (contract specification of red arecanut raashi)

7. Regn no. L-32067/2009 dated February 19, 2009 - literary work published in India in 2005 (contract specification of crude palm oil)

8. Regn no. L-31179/2008 dated August 21, 2008 - literary work published in India in 2005 (contract specification of platinum)

9. Regn no. L-31011/2008 dated July 17, 2008 - literary work published in India in 2005 (contract specification of carbon credits – ecx – cfi mini)

10. Regn no. L-31010/2008 dated July 17, 2008 - literary work published in India in 2005 (contract specification of carbon credit)

11. Regn no. L-31009/2008 dated July 17, 2008 - literary work published in India in 2005 (contract specification of rubber)

12. Regn no. A-81441/2007 dated November 27, 2007 - artistic work unpublished (MCX Trade with trust)

13. Regn no. L-28545/2007 dated May 29, 2007 - literary work unpublished sesame seed

14. Regn no. L-28547/2007 dated May 29, 2007 - literary work unpublished – contract specification for rice

15. Regn no. L-28543/2007 dated May 29, 2007 - literary work unpublished – contract specification for red chilli (LC 334 grade)

16. Regn no. L-28542/2007 dated May 29, 2007 - literary work unpublished – contract specification for potato (Tarkeshwar)

17. Regn no. L-28541/2007 dated May 29, 2007 - literary work unpublished – contract specification for RBD Palmolein

18. Regn no. L-28540/2007 dated May 29, 2007 - literary work unpublished – contract specification for rice bran doc (deoiled rice bran)

19. Regn no. L-28539/2007 dated May 29, 2007 - literary work unpublished – contract specification for potato (Agra)

20. Regn no. L-28546/2007 dated May 29, 2007 - literary work unpublished – contract specification for rice bran refined oil

21. Regn no. L-28548/2007 dated May 29, 2007 - literary work unpublished – contract specification for refined sunflower oil

22. Regn no. L-28544/2007 dated May 29, 2007 - literary work unpublished – contract specification for refined soy oil

23. Regn no. L-24593/2005 dated May 30, 2005 - literary work unpublished – contract specification for arecanut faq white including delivery and settlement

24. Regn no. L-28208/2007 dated March 26, 2007 - literary work unpublished – contract specification for castor oil

25. Regn no. L-28209/2007 dated March 26, 2007 - literary work unpublished – contract specification for coconut cake

26. Regn no. L-28211/2007 dated March 26, 2007 - literary work unpublished – contract specification for coconut oil

27. Regn no. L-28210/2007 dated March 26, 2007 - literary work unpublished – contract specification for cardamom

28. Regn no. L-28212/2007 dated March 26, 2007 - literary work unpublished – contract specification for cotton - long staple

29. Regn no. L-28213/2007 dated March 26, 2007 - literary work unpublished – contract specification for cotton seed

30. Regn no. L-28214/2007 dated March 26, 2007 - literary work unpublished – contract specification for cotton yarn contract

31. Regn no. L-28207/2007 dated March 26, 2007 - literary work unpublished – contract specification for cashew kernel

32. Regn no. L-28206/2007 dated March 26, 2007 - literary work unpublished – contract specification for castor seed

33. Regn no. L-28255/2007 dated March 30, 2007 - literary work published in India in 2006 – "An Insight into the Commodity Derivative Markets"

34. Regn no. L-27276/2006 dated March 30, 2007 - literary work unpublished– contract specification for Middle East Sour Crude Oil

35. Regn no. L-25244/2005 dated October 31, 2005 - literary work published India 2004 – contract specification for basmati rice including delivery and quality specifications of basmati rice

36. Regn no. L-25245/2005 dated October 31, 2005 - literary work published India 2004 – contract specification for wheat including delivery and quality specifications of wheat

37. Regn no. L-25246/2005 dated October 31, 2005 - literary work published India 2004 – contract specification for black pepper including delivery and quality specifications of black pepper

38. Regn no. L-25247/2005 dated October 31, 2005 - literary work published India 2004 – contract specification for yellow peas including delivery and quality specifications of yellow peas

39. Regn no. L-25249/2005 dated October 31, 2005 - literary work published India 2004 – contract specification for urad including delivery and quality specifications of urad

40. Regn no. L-25242/2005 dated October 31, 2005 - literary work published India 2004 – contract specification for turmeric including delivery and quality specifications of turmeric

41. Regn no. L-25243/2005 dated October 31, 2005 - literary work published India 2004 – contract specification for tur including delivery and quality specifications of tur

42. Regn no. L-25256/2005 dated October 31, 2005 - literary work published India 2003 – contract specification for silver including delivery and quality specifications of silver

43. Regn no. L-25253/2005 dated October 31, 2005 - literary work published India 2004 – contract specification for silver hni including delivery and quality specifications of silver hni

44. Regn no. L-25254/2005 dated October 31, 2005 - literary work published India 2004 – contract specification for kapasia khalli including delivery and quality specifications of kapasia khalli

45. Regn no. L-25248/2005 dated October 31, 2005 - literary work published India 2005 – contract specification for sarbati rice including delivery and quality specifications of sarbati rice

46. Regn no. L-25255/2005 dated October 31, 2005 - literary work published India 2004 – contract specification for kapas including delivery and quality specifications of kapas

47. Regn no. L-25250/2005 dated October 31, 2005 - literary work published India 2003 – contract specification for gold including delivery and quality specifications of gold

48. Regn no. L-25251/2005 dated October 31, 2005 - literary work published India 2003 – contract specification for gold hni including delivery and quality specifications of gold hni

49. Regn no. L-24967/2005 dated September 20, 2005 - literary work published India 2004 – contract specification for copper including delivery and quality specifications of copper

50. Regn no. L-24600/2005 dated May 30, 2005 - literary work unpublished – contract specification for mcx electricity futures contract – base load contract including delivery and quality specifications of mcx electricity futures contract – base load contract

51. Regn no. L-26923/2006 dated August 8, 2006 - literary work published India 2005 – Multi Commodity Exchange of India Ltd. Certified Commodity Professional (MCCP) reference material

52. Regn no. L-24989/2005 dated September 20, 2005 - literary work published India 2004 – contract specification for nickel including delivery and quality specifications of nickel

53. Regn no. L-24990/2005 dated September 20, 2005 - literary work unpublished– contract specification for furnace oil including delivery and quality specifications of furnace oil

54. Regn no. L-24519/2005 dated May 24, 2005 - literary work published 2005 India – contract specification for crude oil including delivery and quality specifications of crude oil

55. Regn no. L-24599/2005 dated May 30, 2005 - literary work unpublished – contract specification for high density polythene including delivery and quality specifications of high density polythene

56. Regn no. L-24601/2005 dated May 30, 2005 - literary work unpublished – contract specification for Baltic handymax index including delivery and settlement procedure of Baltic handymax index

57. Regn no. L-24602/2005 dated May 30, 2005 - literary work unpublished – contract specification for MCX commodity index including delivery and settlement procedure of MCX commodity index

58. Regn no. L-24603/2005 dated May 30, 2005 - literary work unpublished – contract specification for rainfall index of Coorg including delivery and settlement procedure of rainfall index of Coorg

59. Regn no. L-24604/2005 dated May 30, 2005 - literary work unpublished – contract specification for orthodox BOP tea including delivery and settlement procedure of orthodox BOP tea

60. Regn no. L-24607/2005 dated May 30, 2005 - literary work unpublished – contract specification for aluminium including delivery and settlement procedure of aluminium

61. Regn no. L-24608/2005 dated May 30, 2005 - literary work unpublished – contract specification for rainfall index of Western Rajasthan including delivery and settlement procedure of rainfall index of Western Rajasthan

62. Regn no. L-24609/2005 dated May 30, 2005 - literary work unpublished – contract specification for spray dried skim milk powder including delivery and settlement procedure of spray dried skim milk powder

63. Regn no. L-25252/2005 dated October 31, 2005 - literary work published India 2004 – contract specification for chana including delivery and quality specifications of chana

64. Regn no. L-25014/2005 dated September 20, 2005 - literary work published India 2005 – contract specification for masur (lentil) including delivery and quality specifications of masur (lentil)

65. Regn no. L-24592/2005 dated May 30, 2005 - literary work unpublished – contract specification for sponge iron including delivery and settlement procedure of sponge iron

66. Regn no. L-24594/2005 dated May 30, 2005 - literary work unpublished – contract specification for natural gas including delivery and settlement procedure of natural gas

67. Regn no. L-24595/2005 dated May 30, 2005 - literary work unpublished – contract specification for ethanol including delivery and settlement procedure of ethanol

68. Regn no. L-24597/2005 dated May 30, 2005 - literary work unpublished – contract specification for brent crude oil including delivery and settlement procedure of brent crude oil

69. Regn no. L-24598/2005 dated May 30, 2005 - literary work unpublished – contract specification for mentha oil including delivery and settlement procedure of mentha oil

70. Regn no. L-24596/2005 dated May 30, 2005 - literary work unpublished – contract specification for polypropylene including delivery and settlement procedure of polypropylene

71. Regn no. L-24605/2005 dated May 30, 2005 - literary work unpublished – contract specification for rainfall index of Madhya Pradesh including delivery and settlement procedure of rainfall index of Madhya Pradesh

72. Regn no. L-24606/2005 dated May 30, 2005 - literary work unpublished – contract specification for ctc RD tea including delivery and settlement procedure of rainfall index of ctc RD tea

73. Regn no. L-24610/2005 dated May 30, 2005 - literary work unpublished – contract specification for coking coal including delivery and settlement procedure of rainfall index of coking coal

Miscellaneous

1. Registration under the Bombay Shops and Establishments Act, 1948 (No. 760074202/Commercial II) dated November 14, 2008 valid up to December 31, 2013.

2. Certificate of Importer Exporter Code, 0304066745 issued on December 17, 2004 by the Office of Joint Director General of Foreign Trade.

3. Letter of Approval dated December 21, 2005 from the FMC approving the amendments to the Memorandum and Articles of Association of our Company on the basis of the amendments approved in the meetings of our Company on September 24, 2004 and February 5, 2005.

4. Letter of Approval dated November 8, 2006 from the FMC approving the amendment to the clause (ab) of Article 3 in the Articles of Association of our Company.

5. Letter of Approval dated February 13, 2007 from the FMC granting permission for issue of Equity Shares pursuant to our Company's ESOP Plan and exempting the MCX ESOP 2006 scheme from the restrictions contained in the FMC letter No.5/4/2003/POL-Demut dated December 6, 2006.

6. Letter of Approval dated March 23, 2007 from the FMC granting permission for making equity investment in the Joint Venture Company 'Safal National Exchange of India Limited' and exempting the equity investment by our Company in the aforesaid joint venture company from the restrictions contained in the FMC letter no.5/4/2003/POL-Demut dated December 6, 2006.

7. Letter of Approval dated August 31, 2007 from the FMC approving the disinvestment of our Company's equity held by FTIL to seven entities as indicated in the Ministry of Consumer Affairs DO letters No.12/(3)/2003 dated June 11, 2007 and DO no.21/22/2006-IT dated August 22, 2007.

8. Letter of Approval dated September 19, 2007 from the Government of India, Ministry of Consumer Affairs, New Delhi granting in principle approval for ICICI Bank and IL&FS Investment Managers Limited to invest in our Company within the limit of 5% each.

9. Letter of Approval dated October 25, 2007 from the FMC granting approval for amending Article 39(a) of the Articles of Association of our Company in the basis of the amendments approval in the meeting of our Company on September 1, 2007.

10. Letter of Approval dated November 19, 2007 from the Government of India, Ministry of Consumer Affairs, Food and Public Distribution, New Delhi confirming no objection for sale of 1% stake by FTIL in our Company to Alexandra Mauritius Limited, vide letter No. D.O No 21/22/2006 – IT.

11. Letter of approval dated January 21, 2008 from the Ministry of Consumer Affairs, Food and Public Distribution, New Delhi granting permission to our Company to invest in National Bulk Handling Corporation Limited, a subsidiary of FTIL.

12. Letter of Approval dated January 9, 2008 from the Ministry of Consumer Affairs, Food and Public Distribution, New Delhi granting in principle approval to Kotak Indian Growth Fund to invest to the extent of 1% in our Company.

13. Letter of Approval ((2/17/2006- MKT/III) dated January 28, 2008 from the FMC granting approval to set up a clearing corporation as a wholly owned subsidiary and also to set up a wholly owned subsidiary for the purpose of training.

14. Letter of Approval dated May 1, 2008 from the FMC granting permission for transfer of 1,621,826 Equity Shares of our Company from IL&FS Trust Company Limited A/c SCB Asian Infrastructure fund out of 3,907,540 shares held by it to IL&FS Trust Company Limited A/c IL&FS- ORIX Trust and exempting the MCX ESOP 2008 scheme from the restrictions contained in the FMC letter No.5/4/2003/POL-Demut dated December 6, 2006.

15. Letter of Approval (F. No. 12/3/2003-IT(Pt.)) dated September 16, 2008 from the Ministry of Consumer Affairs granting approval to make an investment of up to ₹ 750 million in MCX Stock Exchange Limited.

16. Letter of Approval (4/1/2009/MD-I) dated February 18, 2009 from the FMC granting approval to make an investment of up to ₹ 750 million in MCX-SX.

17. Letter of Approval (4/1/2009/MD-I) dated February 18, 2009 from the FMC granting approval to make an investment of up to 26% of the paid up capital not exceeding ₹ 260 million in MCX Stock Exchange Clearing Corporation Limited.

18. Letter of Approval (F. No. 5/4/2003/Pol-Demut) dated June 29, 2009 from the FMC granting post-facto approval for the transfer of 317,500 Equity Shares of our Company from ICICI Trusteeship Services Limited to Bennett Coleman and Company Limited.

19. Letter of Approval (F.No. 21/3/2006-IT) dated July 15, 2009 from the FMC granting approval to make investment of up to ₹ 130 million each in the Singapore Mercantile Exchange Pte. Ltd., Singapore, Global Board of Trade Limited, Mauritius, Bahrain Multi-Commodity Exchange Ltd. and Boursa Africa Limited, Botswana.

20. Letter of Approval (F. No. 4/1/2009/MD-I) dated September 7, 2009 from the FMC granting post facto approval for the transfer of 2,285,714 Equity Shares of our Company from IL&FS Trust Company Limited SCB and 1,621,826 Equity Shares of our Company from IL&FS Trust Company Limited ORIX to IFCI Limited.

21. Letter of Approval (F. No. 4/1/2009/MD-I) dated February 11, 2010 from the FMC approving the transfer of 815,950 Equity Shares of our Company from State Bank of India to Edelweiss Capital Limited (now Edelweiss Financial Services Limited).

22. Letter of Approval (F.No. 4/5/2009/MD-I) dated February 17, 2010 from the FMC approving the appointment of Lambertus Rutten as Managing Director and CEO of our Company subject to the approval of the Central Government.

23. Letter of Approval (F. No. 4/1/2009/MD-I) dated March 2, 2010 from the FMC approving the transfer of 3,907,540 Equity Shares of our Company from Citigroup Strategic Holdings Mauritius Limited to Aginyx Enterprises Limited, Cyprus.

24. Letter of Approval (F. No. 4/1/2009/MD-I) dated March 2, 2010 from the FMC approving the transfer of 1,655,476 Equity Shares of our Company from FID Funds (Mauritius) Limited, Mauritius to Passport India Investments (Mauritius) Limited, Mauritius.

25. Letter of Approval (F. No. 4/1/2009/MD-I) dated March 5, 2010 from the FMC approving the transfer of 1,323,529 Equity Shares of our Company from Fidelity Funds – India Focus Limited, acting through FIL Investment Management (Hong Kong) Limited to Intel Capital (Mauritius) Limited.

26. Letter of Approval (F. No. 4/1/2009/MD-I) dated April 1, 2010 from the FMC approving the transfer of 163,398 Equity Shares from Edelweiss Capital Limited **(**now Edelweiss Financial Services Limited) to HT Media Limited.

27. Letter of Approval (F. No. 4/1/2009/MD-I) dated April 7, 2010 from the FMC approving the transfer of 652,550 Equity Shares from Edelweiss Capital Limited (now Edelweiss Financial Services Limited) to Brand Equity Treaties Limited.

28. Letter of Approval (F. No. 4/1/2009/MD-I) dated April 12, 2010 from the FMC approving the transfer of 141,125 Equity Shares of our Company from Fidelity Funds – India Focus Limited, acting through FIL Investment Management (Hong Kong) Limited to Investment Group of Santa Barbara-Stad I.LLC.

29. Letter (No. 2/10/2005/MD/POL/DIR) dated May 18, 2010 from the FMC nominating K.T. Chacko and Ashima Goyal as nominee directors of the FMC until March 31, 2012.

30. Letter (No. 3/1/2002-POL) dated February 7, 2011 from the FMC appointing Usha Suresh in place of Anupam Mishra as Director on our Board until March 31, 2012.

31. Letter (No. 2/1/2005/MKT/POL/Dir) dated April 1, 2011 from the FMC extending the nomination of R.M. Premukumar as an Independent Director on our Board for a term of three years from April 1, 2011 upto March 31, 2014.

32. Letter (No.2/1/2005/MKT/POL/DIR) dated April 01, 2011 from the FMC approving the appointment of Venkat Chary, C.M. Maniar and Shvetal S. Vakil as Independent Directors on our Board as per the

provisions given in sub-paragraph 1.1 (ii) of the guidelines dated April 22, 2010 for constitution of Board of Directors in National Exchanges upto 31.03.2014.

33. Letter (No. 2/1/2005/MKT/POL/Dir) dated April 12, 2011 from the FMC granting approval for amendment to Clause relating to 'Number of Directors' in Article 30 of the Articles of Association of our Company.

34. Letter (No. 4/1/2009-MD/I (Vol.II)) dated September 12, 2011 from the FMC granting approval for an initial investment of ₹ 510,000 in SME Exchange of India Limited.

Pending Applications

Trademark Registrations

We have made the following applications for registration of trademarks:

S. No.	Nature and Description of the Approval	Date of application
1.	"MCX ENERGY INDEX" under class 42	December 13, 2006
2.	"COMDEX" under class 42	December 13, 2006
3.	"RAINDEX" under class 42	December 13, 2006
4.	"MCX METAL INDEX" under class 42	December 13, 2006
5.	"RAINDEXIDR" under class 42	December 13, 2006
6.	"NACE" under class 9	April 11, 2007
7.	"NACE" under class 16	April 11, 2007
8.	"NACE" under class 35	April 11, 2007
9.	"NACE" under class 42	April 11, 2007
10.	"NACE" under class 41	April 11, 2007
11.	"METRO ROADEX" under class 35	December 13, 2006
12.	"METRO ROADEX" under class 36	December 13, 2006
13.	"METRO ROADEX" under class 38	December 13, 2006
14.	"METRO ROADEX" under class 42	December 13, 2006
15.	"MCX METROADEX under class 35	February 17, 2011
16.	"MCX METROADEX under class 36	February 17, 2011
17.	"MCX METROADEX under class 38	February 17, 2011
18.	"MCX METROADEX under class 42	February 17, 2011
19.	"ROADEX" under class 42	December 13, 2006
20.	"MCX India's No.1 Commodity Exchange A Financial Technologies Group Company" under class 41	October 10, 2007
21.	"MCX India's No.1 Commodity Exchange" under class 41	October 10, 2007
22.	"Gramin Suvidha Kendra" under class 35	December 4, 2007
23.	"Gramin Suvidha Kendra" under class 36	December 4, 2007
24.	"Gramin Suvidha Kendra" under class 38	December 4, 2007
25.	"Gramin Suvidha Kendra" under class 41	December 4, 2007
26.	"Gramin Suvidha Kendra" under class 42	December 4, 2007
27.	"Gramin Suvidha Kendra" under class 9	December 4, 2007
28.	"Gramin Suvidha Kendra" under class 39	December 3, 2007
29.	"Gramin Suvidha Kendra" under class 16	December 3, 2007
30.	"MCX AGRI INDEX" under class 42	December 13, 2006
31.	"MCX Metal and Energy Trade with Trust" under class 14	March 10, 2010
32.	"MCX Metal and Energy Trade with Trust" under class 35	March 10, 2010
33.	"MCX Metal and Energy Trade with Trust" under class 42	March 10, 2010
34.	"MCX ACT mini" under class 16	March 4, 2010
35.	"MCX ACT mini" under class 35	March 4, 2010
36.	"MCX ACT mini" under class 36	March 4, 2010
37.	"MCX ACT mini" under class 38	March 4, 2010
38.	"MCX ACT mini" under class 41	March 4, 2010

S. No.	Nature and Description of the Approval	Date of application
39.	“MCX ACT mini” under class 42	March 4, 2010
40.	“MCX ACT” under class 38	March 4, 2010
41.	“MCX ACT” under class 42	March 4, 2010
42.	“MCX ACT” under class 35	March 3, 2010
43.	“National Multi Commodity Exchange” (word) class 9	February 5, 2003

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

FTIL, SBI (Equity), GLG, Alexandra, Corporation Bank, ICICI Lombard and BoB have approved the transfer of Equity Shares pursuant to the Offer as set out below:

S. No.	Selling Shareholder	Number of Equity Shares offered for sale
1.	FTIL	2,643,916
2.	SBI (Equity)	2,112,025
3.	GLG	781,508
4.	Alexandra	390,754
5.	Corporation Bank	246,175
6.	ICICI Lombard	148,000
7.	BoB	105,000
	Total	**6,427,378**

Each of the Selling Shareholders has the requisite authority to participate in the Offer.

The Selling Shareholders have confirmed that they have held the Equity Shares proposed to be offered in the Offer for more than one year prior to the date of filing of the Draft Red Herring Prospectus and that the Selling Shareholders have not been prohibited from dealing in securities market and the Equity Shares offered are free from any lien, encumbrance or third party rights.

Prohibition by SEBI

Our Company, Directors, Promoter, Promoter Group entities, Group Companies, the Selling Shareholders and natural persons behind the Promoter, which is a body corporate, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Details of the entities that our Directors are associated with, which are engaged in securities market related business and are registered with SEBI for the same, have been provided to SEBI.

Prohibition by RBI

Our Company, its Promoters, relatives of Promoters (as defined under the Companies Act) and Group Companies have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no such proceeding are pending against our Company or them.

Other than as disclosed below, our Directors have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no such proceeding are pending against our Company or them:

C.M. Maniar, our Non-Executive Independent Director, was on the board of Heatshrink Technologies (Nee: REPL Engineering Limited as an Independent Director). Heatshrink Technologies (Nee: REPL Engineering Limited appears on the RBI list of wilful defaulters for default in payments of ₹ 183.5 million to SBI Commercial and International Bank Limited. He was also on the board of Madalsa International Limited as an Independent Director. Madalsa International Limited appears on the RBI list of wilful defaulters for default in payments of ₹ 147.2 million to Oman International Bank SAOG. He was also on the board of Kedia Aglomerated Marbles Limited as an Independent Director. Kedia Aglomerated Marbles Limited appears on the RBI list of wilful defaulters for default in payments of ₹ 70.9 million to Industrial Development Bank of India. He was also on the board of Gujarat Hi-Tech Industries Limited as a Director. Gujarat Hi-Tech Industries Limited appears on the RBI list of wilful defaulters in payments of ₹ 340.854 million to Kotak Mahindra Bank.

P.G. Kakodkar was also on the board of Vishwas Steels Limited as a director. Vishwas Steels Limited appears on the RBI list of wilful defaulters for default in payments of ₹ 207.4 million to IDBI Limited. He was also on the board of Atcom Technology Limited as a director. Atcom Technology Limited appears on the RBI list of wilful defaulters for default in payments of ₹ 220.5 million to Dena Bank. P.G. Kakodkar was also on the board of Siris Limited as a director. Siris Limited appears on the RBI list of wilful defaulters for default in payments of ₹ 860.5 million to State Bank of India.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(2) of the SEBI Regulations, which states as follows:

(2) "*An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:*

(a) *(i)* *the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers;*

OR

(ii) *at least fifteen per cent. of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent. shall come from the appraisers and the issuer undertakes to allot at least ten per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;*

AND

(b) *(i)* *the minimum post-issue face value capital of the issuer is ten crore rupees;*

OR

(ii) *the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:*

(A) *the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent.;*

(B) *the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent. of the proposed issue."*

We are an unlisted company not complying with the conditions specified in the Regulations 26(1) SEBI Regulations and are therefore required to meet both the conditions detailed in Clause (a) and Clause (b) of Regulation 26(2) of the SEBI Regulations.

- We are complying with Regulation 26(2) (a) (i) of the SEBI Regulations and at least 50% of the Net Offer is proposed to be Allotted to QIBs and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.

- We are complying with Regulation 43(2) of the SEBI Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated 15% and 35% of the Net Offer respectively.

- We are also complying with Regulation 26(b)(i) of the SEBI Regulations and the post-Offer face value capital of the Company shall be ₹ 509.98 million, which is more than the minimum requirement of ₹ 10 Crore (₹ 100 million).

Hence, we are eligible for the Offer under Regulation 26(2) of the SEBI Regulations.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 31, 2011 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

(B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

(C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED**

DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. NOT APPLICABLE.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE.**

    AS THE OFFER SIZE IS MORE THAN ₹ 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

    (B) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

The filing of this Red Herring Prospectus does not, however, absolve our Company and the Selling Shareholders from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing this Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from our Company, the Selling Shareholders and the BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's web site www.mcxindia.com, would be doing so at his or her own risk. The Selling Shareholders, their affiliates, associates and their respective directors and officers accept no responsibility for any statements made other than those made in relation to the Equity Shares offered through the Offer.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement entered into between the BRLMs, the Selling Shareholders and our Company and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares of our Company.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and the affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, affiliates or associates, for which they have received, and may in future receive, compensation.

Price Information of Past Issues handled by BRLMs

1. Price information of past issues handled by Edelweiss

Sr. No.	Issue Name	Issue size (₹ Mn.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	Man Infraconstruction Limited	1,417.54	252	11-Mar-10	335.00	348.25	38.19%	17,167.96	397.25	17,410.57	361.4	17,590.17	377.5	17,933.14
2	United Bank of India	3,251.52	66[4]	18–Mar-10	77.00	68.80	4.24%	17,519.26	68.7	17,711.35	73.65	17,941.37	72.65	17,591.18
3	Mandhana Industries Limited	1,079.00	130	19-May-10	132.70	133.65	2.81%	16,408.49	142.45	16,863.06	141.65	16,781.07	148.2	17,616.69
4	Hindustan Media Ventures Limited	2,699.99	166	21-Jul-10	170.00	189.20	13.98%	17,977.23	179.45	17,868.29	184.2	18,287.50	182.75	18,454.94
5	Electrosteel Steels Limited	2,852.77[6]	11	08-Oct-10	12.35	11.25	2.27%	20,250.26	10.8	20,168.89	10.95	20,005.37	11.12	20,852.38
6	Commercial Engineers & Body Builders Company Limited	1,724.13	127	18-Oct-10	122.80	112.25	(11.61)%	20,168.89	109.1	20,005.37	117.1	20,852.38	103.1	19,865.14
7	Claris Lifesciences Limited	3,000.0	228[5]	20-Dec-10	224.40	205.85	(9.71)%	19,888.88	205.1	20,256.03	199.1	19,224.12	181.95	19,092.05
8	MOIL Limited	12,375.14	375[6]	15-Dec-10	551.00	466.50	24.40%	19,647.77	448.75	20,073.66	453.65	20,561.05	442.5	19,182.82

Source: All share price data is from "www.bseindia.com".

Notes:

1. The BSE Sensex is considered as the Benchmark Index.
2. Price on BSE is considered for all of the above calculations
3. In case 10th/20th/30th day is not a trading day, closing price on BSE of the next trading day has been considered
4. Price for Retail Individual Bidders and Eligible Employees was ₹ 63 per share
5. Price for Anchor investors was ₹ 293 per share
6. Price for Retail Individual Bidders and Eligible Employee was ₹ 356.25 per share
7. Included a green shoe option of up to 33,827,428 equity shares for cash amounting to ₹ 372.10 million

2. Summary statement of price information of past issues handled by Edelweiss

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ Mn.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2009-2010	2	4,669.05	-	-	-	-	1	1	1	-	-	-	1	-
2010-2011	6	23,731.03	-	-	2	-	-	4	2	-	1	-	-	3
2011-2012	Nil	Nil	-	-	-	-	-	-	-	-	-	-	-	-

1. Price information of past issues handled by Citi

Sr. No.	Issue Name	Issue size (₹ Mn.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	L&T Finance Holdings Ltd	12,450.00	52.00[(3)]	12-Aug-11	51.00	49.95	(3.94%)	16,839.63	44.70	16,341.70	49.65	16,676.75	50.80	16,866.97
2	Coal India Ltd	151,994.40	245.00[(4)]	4-Nov-10	287.75	342.35	39.73%	20,893.57	319.90	20,156.89	310.45	19,459.85	322.30	19,966.93
3	SKS Microfinance Ltd	16,287.83	985.00[(5)]	16-Aug-10	1,036.00	1,088.58	10.52%	18,050.78	1,160.51	18,226.35	1,287.85	18,221.43	1,395.25	19,502.11
4	DB Corp Ltd	3,842.20	212.00[(6)]	6-Jan-10	250.00	265.90	25.42%	17,701.13	252.30	17,554.30	253.80	16,780.46	236.25	15,790.93
5	Pipavav Defence & Offshore Engineering Co Ltd	4,986.66	58.00[(7)]	9-Oct-09	60.05	56.80	(2.07%)	16,642.66	57.15	17,326.01	54.25	16,052.72	53.65	16,158.28
6	Oil India Ltd	27,772.48	1,050.00	30-Sep-09	1,019.00	1,140.55	8.62%	17,126.84	1,195.10	16,642.66	1,177.85	17,223.01	1,113.70	15,896.28

Source: Bombay Stock Exchange website.

Notes:

1. Benchmark index is Sensex.
2. In case 10th/20th/30th day is not a trading day, closing price on BSE of a trading day immediately prior to the 10th/20th/30th day, is considered.
3. Issue price for all categories except Eligible Employees bidding under the Employee Reservation Portion and Anchor Investors was ₹52.00 per equity shares. Price for Eligible Employees was ₹50.00 per equity share and Anchor Investors was ₹56.00 per equity share.
4. Issue price for all categories except Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion was ₹ 245.00 per equity share. Price for Retail Individual Bidders and Eligible Employees was ₹232.75 per equity share.
5. Issue price for all categories except Retail Individual Bidders was ₹985.00 per equity shares. Price for Retail Individual Bidders was ₹935.00 per equity share.
6. Issue price for all categories except Retail Individual Bidders was ₹212.00 per equity shares. Price for Retail Individual Bidders was ₹210.00 per equity share.
7. Issue price for all categories except Anchor Investors was ₹58.00 per equity shares. Price for Anchor Investors was ₹60.00 per equity share.

2. Summary statement of price information of past issues handled by Citi

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ Mn.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2009-2010	3	36,601.34	-	-	1	-	1	1	-	-	3	-	-	-
2010-2011	2	168,282.23	-	-	-	-	1	1	-	-	1	-	1	-
2011-2012	1	12,450.00	-	-	1	-	-	-	-	-	-	-	-	1

1. Price information of past issues handled by Morgan Stanley

Sr. No.	Issue Name	Issue size (₹ Mn.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Bench mark index as on 30th calendar day from listing day (Closing)
1	Adani Power Ltd	30,165.20	100.00	20-Aug-09	108.00	100.10	0.10%	4,453.45	104.65	4,732.35	103.20	4,814.25	100.95	4,976.05
2	Oil India Ltd	27,772.48	1,050.00	30-Sep-09	1,096.00	1141.20	8.69%	5,083.95	1,195.65	4,945.20	1,177.85	5,114.45	1,120.60	4,711.70
3	Indiabulls Power Ltd	17,581.50	45.00	30-Oct-09	45.05	39.50	-12.22%	4,711.70	34.30	4,898.40	33.65	4,989.00	32.55	4,941.75
4	JSW Energy Ltd	27,000.00	100.00 [(2)]	4-Jan-10	106.00	100.85	0.85%	5,232.20	119.10	5,259.90	111.60	5,036.00	109.85	4,931.85
5	Hathway Cable & Datacom Ltd	6,660.00	240.00	25-Feb-10	250.00	207.65	-13.48%	4,859.75	214.60	5,088.70	208.80	5,231.90	205.15	5,282.00
6	Jaypee Infratech Ltd	22,576.10	102.00 [(3)]	21-May-10	98.00	91.45	-10.34%	4,931.15	83.50	5,086.30	77.00	5,078.60	85.75	5,262.60
7	Eros International Media Ltd	3,500.00	175.00	6-Oct-10	205.45	190.25	8.71%	6,186.45	175.55	6,062.65	184.00	6,082.00	193.05	6,312.45
8	Oberoi Realty Ltd	10,286.12	260.00	20-Oct-10	271.10	282.90	8.81%	5,982.10	279.05	6,017.70	289.15	6,301.55	262.35	5,890.30
9	Coal India Ltd	151,994.40	245.00 [(4)]	4-Nov-10	291.00	342.55	39.82%	6,281.80	320.15	6,071.65	310.80	5,865.75	321.95	5,992.80

Source: All share price data is from "www.nseindia.com". Deal sizes as per issue prospectus

Notes:

1. The Standard & Poor's CRISIL NSE Index 50 ("Nifty") is considered as the Benchmark Index
2. Issue price for all categories except Retail Individual Bidders was ₹ 100.00 per equity share. A discount of ₹ 5.00 per equity share was offered to these Retail Individual Bidders. All calculations are based on Issue Price of ₹ 100.00 per equity share
3. Issue price for all categories except Retail Individual Bidders (whose Bid Amount does not exceed ₹ 100,000) was ₹ 102.00 per equity share. A discount of ₹ 5.10 per equity share was offered to these Retail Individual Bidders. All calculations are based on Issue Price of ₹ 102.00 per equity share
4. Issue price for all categories except Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion was ₹ 245.00 per equity share. A discount of ₹ 12.25 per equity share was offered to these Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion. All calculations are based on Issue Price of ₹ 245.00 per equity share
5. Price on NSE is considered for all of the above calculations
6. In case 10th/20th/30th day is not a trading day, closing price on NSE of a trading day immediately prior to the 10th/20th/30th day, as the case may be, is considered

2. Summary statement of price information of past issues handled by Morgan Stanley

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ Mn.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2009-2010	5	109,179.18	-	-	2	-	-	3	-	1	1	-	-	3
2010-2011	4	188,356.62	-	-	1	-	1	2	-	-	1	-	1	2
2011-2012	Nil	Nil	-	-	-	-	-	-	-	-	-	-	-	-

Track record of past issues handled by BRLMs

For details regarding the track record of the BRLMs to the Offer as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the BRLMs at http://www.edelweissfin.com/FinancialServices/CapitalMarkets/InvestmentBanking.aspx; http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm; and http://www.morganstanley.com/indiaofferdocuments/disclosure01102012.html.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs. This Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States and to U.S. Persons (as defined in Regulations S under the Securities Act) to (a) "qualified institutional buyers", as defined in Rule 144A under the Securities Act, in transactions exempt from the registration requirements of the Securities Act who are also (b) "qualified purchasers", as defined in the U.S. Investment Company Act of 1940, as amended (the "ICA") in reliance upon section 3(c)(7) of such act, and (ii) outside the United States and to non-U.S. Persons in offshore transactions in compliance with Regulation S under the Securities Act.

Disclaimer Clause of BSE

BSE has given vide its letter dated May 19, 2011, permission to the Company to use BSE's name in this offer document as one of the stock exchanges on which the Company's securities are proposed to be listed. BSE has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

(ii) warrant that the Company's securities will be listed or will continue to be listed on BSE; or

(iii) take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that this offer document has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the office of the Registrar of Companies, Maharashtra at Everest, 5th Floor, 100, Marine Drive, Mumbai 400 002.

Listing

Application has been made to BSE for permission to deal in and for an official quotation of the Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares is not granted by BSE, our Company and the Selling Shareholders will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after our Company and the Selling Shareholders become liable to repay it then our Company, the Selling Shareholders and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act. Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc. for the Equity Shares being offered through the Offer, will be reimbursed by the Selling Shareholders to our Company in proportion to the Equity Shares contributed by the Selling Shareholders to the Offer.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE mentioned above are taken within 12 Working Days of the Bid/Offer Closing Date. Further, the Selling Shareholders confirm that all steps, as may be reasonably required and necessary, will be taken for the completion of the necessary formalities for listing and commencement of trading at BSE where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Offer Closing Date.

Consents

Consents in writing of: (a) the Directors, our Company Secretary and Compliance Officer, the Auditors, the legal advisors, the Bankers to the Offer, the Bankers to our Company; and (b) the BRLMs, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Offer to act in their respective capacities, have been obtained and filed along with a copy of this Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been and shall not be withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

V. Sankar Aiyar & Co., Chartered Accountants, have given their written consent for inclusion of the statement of tax benefits dated September 20, 2011 in the form and context in which it appears in this Red Herring Prospectus and such consent has not been withdrawn up to the time of submission of this Red Herring Prospectus with RoC.

B S R and Company, Chartered Accountants, our Company's statutory auditors have given their written consent to the inclusion of their report dated January 25, 2012 on standalone financial statements of the Company as of and for the year ended March 31, 2007, 2008, 2009, 2010, 2011 and for nine months period ended December 31, 2011 and consolidated financial statements of the Company as of and for the year ended March 31, 2009, 2010, 2011 and for nine months period ended December 31, 2011 in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been and will not be withdrawn up to the time of submission of this Red Herring Prospectus with RoC.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

We have received consent dated September 20, 2011 from V. Sankar Aiyar & Co., chartered accountants, to include their names as an expert in this Red Herring Prospectus in relation to the statement of tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus.

We have received consent dated January 30, 2012 from B S R and Company, Chartered Accountants, our Company's statutory auditors, to include their names as an expert, as defined under section 59 of the Companies Act and should not be construed to be defined under the Securities Act, in this Red Herring Prospectus in relation to their report dated January 25, 2012 on standalone financial statements of the Company as of and for the period ended March 31, 2007, 2008, 2009, 2010, 2011 and for nine months ended December 31, 2011 and consolidated financial statements of the Company as of and for the period ended March 31, 2009, 2010, 2011 and for nine months ended December 31, 2011 in the form and context in which it appears in this Red Herring Prospectus. As the offered securities have not been and will not be registered under the Securities Act, the Auditors have not filed the consent under the Securities Act.

CRISIL Limited, the agency engaged by us for the purpose of obtaining IPO grading in respect of this Offer, has given its written consent dated January 31, 2012 to the inclusion of its report in the form and context in which it appears in this Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the RoC and the Designated Stock Exchange.

Offer Related Expenses

The expenses of this Offer include, among others, underwriting and offer management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Offer are as follows:

Particulars	Amounts*	As a percentage of Offer Expenses*	As a percentage of Offer Size*
Lead merchant bankers fees	[●]	[●]	[●]
Underwriting and Selling Commission (including commission to SCSBs for ASBA applications)	[●]	[●]	[●]
Processing fee to the SCSBs for processing Bid cum Application Forms procured by members of the Syndicate and submitted to SCSBs under the Syndicate ASBA process#	[●]	[●]	[●]
Registrars to the Offer fees	[●]	[●]	[●]
Bankers to the Offer fees	[●]	[●]	[●]
Others:			
- Printing and stationery expenses	[●]	[●]	[●]
- Listing fees	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- IPO grading fees	[●]	[●]	[●]
- Others	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

* *Will be incorporated after finalisation of the Offer Price.*

SCSBs would be entitled to a processing fee in the range of ₹10 - ₹30 for processing per valid Bid cum Application Form collected by the Syndicate Members at the Specified Cities and submitted to the SCSBs.

Other than listing fees, which will be paid by our Company, all expenses with respect to the Offer will be shared between the Selling Shareholders in proportion to the Equity Shares contributed to the Offer.

Fees Payable to the BRLMs and the Syndicate Members

The total fees payable to the BRLMs and the Syndicate Member (including underwriting commission and selling commission and reimbursement of their out-of-pocket expenses) will be as stated in the Engagement Letter and the Syndicate Agreement, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of application, data entry, printing of CAN/Allotment Advice/ refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU entered into between the Registrar to the Offer, our Company and the Selling Shareholders, a copy of which is available for inspection at our Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last Five Years

Our Company has not made any public issues and rights issues during the last five years.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the sections titled "Capital Structure" and "History and Certain Corporate Matters" on page 80 and 169 respectively, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our inception.

Previous capital issue during the previous three years by listed Group Companies, Subsidiary and associates of our Company

None of the Group Companies, associates and the Subsidiary of our Company are listed on any stock exchange.

Promise vis-à-vis objects – Public/ Rights Issue of our Company and/ or listed Group Companies, Subsidiary and associates of our Company

Our Company has not undertaken any previous public or rights issue.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of filing this Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The MoU between the Registrar to the Offer, the Selling Shareholders and our Company will provide for retention of records with the Registrar to the Offer for a period of at least three years from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB and the Syndicate Member with whom the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders or the address of the center of the Syndicate where the Bid cum Application Form was submitted by the ASBA Bidder.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed P. Ramanathan, Company Secretary, as the compliance officer and he may be contacted in case of any pre-Offer or post-Offer-related problems. He can be contacted at the following address:

P. Ramanathan
Exchange Square, Suren Road
Chakala, Andheri (East)
Mumbai 400 093
Tel: (91 22) 6731 8888
Fax: (91 22) 6649 4151
E-mail: mcxofs@mcxindia.com
Website: www.mcxindia.com

Changes in Auditors during the last three years

Name of Auditor	Date of Appointment / Cessation	Reason
Deloitte Haskins & Sells	August 1, 2009	Cessation
B S R and Company	August 1, 2009	Appointment

Capitalisation of Reserves or Profits

Except as disclosed in the section entitled “Capital Structure” on page 80, our Company has not capitalised the reserves or profits at any time during the last five years.

Revaluation of Assets

Our Company has not revalued its assets in the last five years.

TERMS OF THE OFFER

The Equity Shares being offered in the Offer are subject to the provisions of the Companies Act, the SCRR, the Memorandum and Articles of Association, the terms of this Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, CAN and other terms and conditions as may be incorporated in the Allotment Advice and other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, BSE, RoC, RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered in the Offer shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allotees in receipt of Allotment of Equity Shares under this Offer will be entitled to voting rights, dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see section titled "Main Provisions of the Articles of Association" on page 495.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared to the shareholders in accordance with the provisions of the Companies Act and the Memorandum and Articles of Association.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 10 each and the Offer Price is ₹ [•] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. The Floor Price is ₹ [•] per Equity Share and the Cap Price is ₹ [•] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Regulations

Our Company and the Selling Shareholders shall comply as applicable with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreement executed with the BSE, and our Company's Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see section titled "Main Provisions of the Articles of Association" on page 495.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai edition of Loksatta (a widely circulated edition of Marathi newspaper) at least two Working Days prior to the Bid/Offer Opening Date.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Mumbai, Maharashtra.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

In terms of the SEBI Regulations the requirement for minimum subscription is not applicable to the Offer.

Our Company shall ensure that the number of prospective allotees to whom Equity Shares will be Allotted shall not be less than 1,000. Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc. for the Equity Shares being offered through the Offer, will be reimbursed by the

Selling Shareholders to our Company, in proportion to the Equity Shares contributed by the Selling Shareholders to the Offer.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States and to U.S. Persons to (a) "qualified institutional buyers", as defined in Rule 144A of the Securities Act in transactions exempt from the registration requirements of the Securities Act who are also (b) "qualified purchasers", as defined in the ICA in reliance upon section 3(c)(7) of such act, and (ii) outside the United States and to non-U.S. Persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Restriction on transfer of Equity Shares

Except for lock-in of the pre-Offer Equity Shares, Promoter's minimum contribution and Anchor Investor lock-in in the Offer as detailed in the section titled "Capital Structure" on page 80 and the restrictions on the transfer of the Equity Shares pursuant to the Equity Structure Guidelines as detailed in the section titled "Regulations and Policies" on page 162, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer of debentures except as provided in the Articles of Association. There are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. Please see section titled "Main Provisions of the Articles of Association" on page 495.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

OFFER STRUCTURE

Offer of up to 6,427,378 Equity Shares of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] million. The Offer comprises a Net Offer of 6,177,378 Equity Shares to the public and an Employee Reservation Portion of up to 250,000 Equity Shares. The Offer will constitute 12.60% of the post Offer paid up capital of our Company. The Net Offer will constitute 12.11% of the post Offer paid up capital of our Company.

The Offer is being made through the 100% Book Building Process.

	QIBs#	**Non-Institutional Bidders**	**Retail Individual Bidders**	**Employee Reservation Portion**
Number of Equity Shares*	At least 3,088,689 Equity Shares.	Not less than 926,607 Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 2,162,082 Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders.	Up to 250,000 Equity Shares.
Percentage of Net Offer available for Allotment/allocation	At least 50% of Net Offer shall be Allotted to QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only.	Not less than 15% of Net Offer or Net Offer available for allocation less allocation to QIB and Retail Individual Bidders	Not less than 35% of Net Offer or Net Offer available for allocation less allocation to QIB Bidders and Non-Institutional Bidders.	Up to 250,000 Equity Shares.
Basis of Allotment/Allocation if respective category is oversubscribed(1)	Proportionate as follows: (a) 108,104 Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) 2,053,979 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares thereof that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares and in multiples of [●] Equity Shares thereof that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares and in multiples of [●] Equity Shares thereof.	[●] Equity Shares and in multiples of [●] Equity Shares thereof.
Maximum Bid(1)	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the Net Offer, subject to applicable limits.	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the	Such number of Equity Shares and in multiples of [●] Equity Shares per Retail Individual Bidder so as to	Such number of Equity Shares and in multiples of [●] Equity Shares per Eligible Employee so as to ensure

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
		Net Offer subject to applicable limits.	ensure that the Bid Amount does not exceed ₹ 200,000.	that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million, Indian pension funds with minimum corpus of ₹ 250 million in accordance with applicable law, National Investment Fund, insurance funds set up and managed by army, navy or air force or the Department of Posts of the Union of India.	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals and HUF (in the name of Karta)	Eligible Employees

	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Terms of Payment[##]	Full Bid Amount shall be blocked in an account with the SCSBs at the time of submission of Bid cum Application Form to the Syndicate Member. Full Bid Amount shall be payable by the Anchor Investors.[(2)].	Full Bid Amount shall be blocked at the time of submission of Bid cum Application Form.	Full Bid Amount applicable at the time of submission of Bid cum Application Form.	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.
Bidding mechanism	ASBA is mandatory other than Anchor Investors	ASBA is mandatory	ASBA is optional and Bids could be submitted through ASBA or non-ASBA	ASBA is optional and Bids could be submitted through ASBA or non-ASBA

\# Our Company and the Selling Shareholders may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds, at or above the price at which allocation is being made to Anchor Investors. For further details, see section titled "Offer Procedure" on page 460.

* Subject to valid Bids being received at or above the Offer Price. In terms of Rule 19(2)(b)(ii) of the SCRR, this being an Offer for at least 10% of the post–Offer capital, the Offer is being made through the 100% Book Building Process wherein at least 50% of the Net Offer shall be Allotted to QIBs, out of the QIB Portion (excluding the Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. If the aggregate demand from Mutual Funds is less than 108,104 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, other than QIB Portion, would be met with spill-over from other categories at the sole discretion of our Company and the Selling Shareholders, in consultation with the BRLMs. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer. In case of under subscription in the Net Offer, spill over to the extent of under subscription, shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting 10% of the post Offer capital of our Company.

** In case the Bid cum Application Form is submitted by Bidders jointly, the investors should ensure that the demat account is also held in the same joint names. However, the name of the first Bidder shall appear in the Bid cum Application Form.

\## In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder or of the account holder in which ASBA Amount is to be blocked which is specified in the Bid cum Application Form.

(1) In terms of the approvals (F. No. 3/2/2009/MD-I/33222 dated June 18, 2010 and F. No. 4/1/2009/MD-I dated April 22, 2010) received by our Company from the FMC, Bidders who are members of our Company (being exchange members) are not permitted to Bid in the Offer. Further, no Bidder who is a client of any member of our Company is permitted to Bid for Equity Shares exceeding 509,983 Equity Shares representing 1% or more of the post-Offer equity share capital of our Company, and no Bidder who is a broker/member of other commodity exchanges is permitted to Bid for Equity Shares exceeding 509,983 Equity Shares representing 1% or more of the post-Offer equity share capital of our Company. Further, no person shall be Allotted Equity Shares exceeding 1,019,967 Equity Shares representing 2% or more of the post-Offer equity share capital of our Company without satisfying the 'fit and proper person' criteria as set out in Note 2 to the Equity Structure Guidelines, and without obtaining the prior permission of the FMC. For further details, see section titled "Regulations and Policies" on page 162.

(2) Bid Amount shall be payable by the Anchor Investor at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within two Working Days of the Bid/Offer Closing Date.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Offer anytime after the Bid/Offer Opening Date but before the Allotment of Equity Shares. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date, providing reasons for not proceeding with the Offer or such other time as may be directed by SEBI. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company shall also inform the same to BSE on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Bid/Offer Programme

BID/OFFER OPENS ON	**[●], 2012***
BID/OFFER CLOSES ON	**[●], 2012**

* *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*

An indicative timetable in respect of the Offer is set out below:

Event	**Indicative Date**
Bid/Offer Closing Date	Friday, February 24, 2012
Finalisation of Basis of Allotment with BSE	On or about Monday, March 5, 2012
Initiation of refunds	On or about Tuesday, March 6, 2012
Credit of Equity Shares to demat accounts of Allottees	On or about Wednesday, March 7, 2012
Commencement of trading	On or about Friday, March 9, 2012

The above timetable is indicative and does not constitute any obligation on the Company or the Selling Shareholders or the BRLMs. Whilst, the Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on BSE are taken within 12 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by the Company and the Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from BSE. The commencement of trading of the Equity Shares will be entirely at the discretion of BSE and in accordance with the applicable laws.

Except in relation to Bids from Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10 a.m. and 5 p.m**. (Indian Standard Time "IST") during the Bid/Offer Period as mentioned above at the bidding centres or with the Syndicate Members at the Specified Centers and the Designated Branches of SCSBs as mentioned on the Bid cum Application Form. **On the Bid/Offer Closing Date, the Bids and any revisions in the Bids shall be accepted only between 10 a.m. and 3 p.m.** and shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Eligible Employees and (ii) until 5.00 p.m. or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders. It is clarified that the Bids not uploaded in the electronic bidding system of the Stock Exchanges would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. on the Bid/Offer Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading the Bids due to failure in any software/hardware system or otherwise.

On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders and Eligible Employees after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the BRLMs, at the terminals of the Syndicate Members and by intimation to Self Certified Syndicate Banks.

OFFER PROCEDURE

This section applies to all Bidders. Please note that QIBs (other than Anchor Investors) and Non-Institutional Investors are mandatorily required to participate in the Offer through the ASBA process. Retail Individual Bidders and Eligible Employees can participate in the Offer through ASBA as well as non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that may be different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSB.

Book Building Procedure

In terms of Rule 19(2)(b)(ii) of the SCRR, this Offer is for at least 10% of the post–Offer capital of our Company. The Offer is being made through the 100% Book Building Process wherein at least 50% of the Net Offer shall be Allotted to QIBs on a proportionate basis. Out of the QIB Portion (excluding Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Offer Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account including DP ID, Client ID and PAN shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bidders are required to ensure that the PAN (of the sole/first Bidder) provided in the Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. If the Bid cum Application Form was submitted by Bidders jointly, Bidders are required to ensure that the beneficiary account is held in the same joint names.

Bid cum Application Form

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians (ASBA as well as non-ASBA Bidders*)	White
FIIs*	Blue
Anchor Investors**	White
Eligible Employees (ASBA as well as non-ASBA Bidders*)	Pink

* *Bid cum Application forms for ASBA Bidders will also be available on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com). Same Bid cum Application Form applies to all ASBA Bids irrespective of whether they are submitted to the SCSBs or to the Syndicate at the Specified Cities.*

** *Bid cum Application forms for Anchor Investors has been made available at the offices of the BRLMs.*

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate. ASBA Bidders shall submit their Bids to the SCSBs authorising blocking of funds that are available in the bank account specified in the Bid cum Application Form only except for the ASBA Bids submitted in the Specified Cities. In the case of Specified Cities, the ASBA Bids may either be submitted with the Designated Branches or with the Syndicate. All Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. Further, such broker or SCSB branch shall affix its stamp, date and time on the Bid cum Application Form acknowledging the upload of the Bid in the electronic bidding system of the Stock Exchanges. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping date and time and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the receipt of the Bid cum Application Form for the records of the Bidder.

ASBA Bidders bidding through the Syndicate should ensure that the Bid cum Application Form is submitted to the Syndicate only in the Specified Cities. ASBA Bidders should also note that the Bid cum Application Forms submitted to the Syndicate in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html). ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

Upon filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the valid Application Form. Upon completion and submission of the Bid cum Application Form to the Syndicate or their affiliates or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorised our Company and the Selling Shareholders to make the necessary changes in this Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872 in single or joint names (not more than three);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;

- Mutual Funds registered with SEBI;

- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

- Eligible Employees;

- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.

- Venture Capital Funds registered with SEBI;

- State Industrial Development Corporations;

- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;

- Scientific and/or industrial research organisations authorised in India to invest in equity shares;
- Insurance companies registered with the Insurance Regulatory and Development Authority;
- Indian provident funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Indian pension funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Limited Liability Partnerships registered under the Limited Liability Partnership Act, 2008;
- National Investment Fund;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Insurance funds set up and managed by Department of Posts, India;
- Bidders who are clients of the members of our Company (being exchange members) may Bid up to such number of Equity Shares not exceeding 509,983 Equity Shares; and
- Bidders who are brokers/members of other commodity exchanges may Bid up to such number of Equity Shares not exceeding 509,983 Equity Shares.

As per the existing regulations, OCBs cannot participate in this Offer.

No Non-Resident investor/entity other than SEBI registered FIIs can participate in this Offer.

In terms of the approvals (F. No. 3/2/2009/MD-I/33222 dated June 18, 2010 and F. No. 4/1/2009/MD-I dated April 22, 2010) received by our Company from the FMC, Bidders who are members of our Company (being exchange members) are not permitted to Bid in the Offer. Further, no Bidder who is a client of any member of our Company is permitted to Bid for Equity Shares exceeding 509,983 Equity Shares representing 1% or more of the post-Offer equity share capital of our Company, and no Bidder who is a broker/member of other commodity exchanges is permitted to Bid for Equity Shares exceeding 509,983 Equity Shares representing 1% or more of the post-Offer equity share capital of our Company. Further, no person shall be Allotted Equity Shares exceeding 1,019,967 Equity Shares representing 2% or more of the post-Offer equity share capital of our Company without satisfying the 'fit and proper person' criteria as set out in Note 2 to the Equity Structure Guidelines, and without obtaining the prior permission of the FMC. For further details, see section titled "Regulations and Policies" on page 162.

Participation by associates and affiliates of BRLMs and Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to subscribe to this Offer in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Offer, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis.

The BRLMs and any persons related to the BRLMs or the Promoter and the Promoter Group cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund portion is greater than 108,104 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of the total post-Offer paid up share capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up share capital or 5% of our total paid-up share capital in case such sub-account is a foreign corporate or a foreign individual. As of now, the aggregate FII holding in our Company cannot exceed the applicable sectoral cap/statutory ceiling applicable to our Company i.e. 23% of the paid-up equity capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the SEBI FII Regulations, an FII, as defined in the SEBI FII Regulations, may issue or otherwise deal in, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Offer. Any such Offshore Derivative Instrument does not constitute any obligation or claim on or an interest in, our Company.

Bids by SEBI registered Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996, as amended *inter alia* prescribe the investment restrictions on VCFs registered with SEBI.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds by way of subscription to an IPO of a venture capital undertaking whose shares are proposed to be listed.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids by Insurance Companies

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and

(c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

Further, with effect from August 1, 2008, no investment may be made in an IPO if the issue size, including offer for sale, is less than ₹ 2,000 million. In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, with effect from December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. In case of an IPO of a wholly owned subsidiary of a corporate or public sector enterprise, the above track record would be applied to the holding company. This limit of 20% would be combined for debt and equity taken together, without sub-ceilings. Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

Bids by Banking Companies

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30% of the paid-up share capital of the investee company or 30% of the banks' own paid-up share capital and reserves, whichever is less (except in case of certain specified exceptions, such as setting up or investing in a subsidiary company, which requires RBI approval). Additionally, any investment by a bank in equity shares must be approved by such bank's investment committee set up to ensure compliance with the applicable prudential norms for classification, valuation and operation of investment portfolio of banks (currently reflected in the RBI Master Circular of July 1, 2010).

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 200,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed series of the Bid cum Application Form or Revision Form (i.e. pink colour form).

(b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 200,000. The maximum Bid in this category by an Eligible Employee cannot exceed ₹ 200,000.

(c) Eligible Employees should mention their Employee Number at the relevant place in the Bid cum Application Form.

(d) The sole/ First Bidder should be an Eligible Employee as defined above.

(e) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.

(f) Eligible Employees will have to bid like any other Bidder. Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this category.

(g) Eligible Employees can apply at Cut-off. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 200,000.

(h) Bid/ Application by Eligible Employees can also be made in the Retail Portion and Non-Institutional Portion and such bids shall not be treated as multiple Bids.

(i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting 10% of the post-Offer share capital of our Company.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, see section titled "Offer Procedure - Basis of Allotment" on page 488.

Bids by members of our Company (being exchange members) or clients of such members

In terms of the approvals (F. No. 3/2/2009/MD-I/33222 dated June 18, 2010 and F. No. 4/1/2009/MD-I dated April 22, 2010) received by our Company from the FMC, Bidders who are members of our Company (being exchange members) are not permitted to Bid in the Offer. Further, no Bidder who is a client of any member of our Company is permitted to Bid for Equity Shares exceeding 509,983 Equity Shares representing 1% or more of the post-Offer equity share capital of our Company. For further details, see section titled "Regulations and Policies" on page 162.

Bids by brokers/members of other stock exchanges

In terms of the approvals (F. No. 3/2/2009/MD-I/33222 dated June 18, 2010 and F. No. 4/1/2009/MD-I dated April 22, 2010) received by our Company from the FMC, no Bidder who is a broker/member of other commodity exchanges is permitted to Bid for Equity Shares exceeding 509,983 Equity Shares representing 1% or more of the post-Offer equity share capital of our Company. For further details, see section titled “Regulations and Policies” on page 162.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000. In case the Bid Amount is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off Price option, Bidders applying through the ASBA process will be considered for allocation under the Non-Institutional Portion. Furthermore, in case of non-ASBA Bids, if the Bid Amount is over ₹ 200,000, the Bid is liable to be rejected. The Cut-off Price option is an option given only to the Retail Individual Bidders and Eligible Employees indicating their agreement to Bid for and purchase the Equity Shares at the final Offer Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares and in multiples of [●] Equity Shares thereafter such that the Bid Amount exceeds ₹ 200,000. A Bid cannot be submitted for more than the Net Offer. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Offer Closing Date and is required to pay the Bid Amount upon submission of the Bid. QIBs (other than Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bid through ASBA process.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹ 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. **Non-Institutional Bidders and QIBs are not allowed to Bid at Cut-off Price.**

(c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is at least ₹ 100 million and in multiples of [●] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investor shall not be refunded to them. Anchor Investors are not allowed to subscribe through the ASBA process.**

(d) **For Bidders in the Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by Eligible Employee does not exceed ₹ 200,000. In case of revision of Bids, the Eligible Employees have to ensure that the Bid Amount does not exceed ₹ 200,000. Any Bids in the Employee Reservation Portion exceeding ₹ 200,000 would be rejected. In case the Bid Amount is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off Price option, Bidders applying through the ASBA process will be considered for allocation under the Non-Institutional Portion. Furthermore, in case of non-ASBA Bids, if the Bid Amount is over ₹ 200,000, the Bid is liable to be rejected. The Cut-off option is an option given only to the Retail Individual Bidders and Eligible Employees indicating their agreement to Bid and purchase at the final Offer Price as determined at the end of the Book Building Process. Eligible Employees bidding under the Employee Portion may also Bid under the Retail Portion and Non-Institutional Portion and such Bids shall not be treated as multiple Bids.

Information for the Bidders:

(a) Our Company and the BRLMs shall declare the Bid/Offer Opening Date and Bid/Offer Closing Date in this Red Herring Prospectus to be registered with the RoC and also publish the same in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai edition of Loksatta (a widely circulated edition of Marathi newspaper). This advertisement shall be in the prescribed format. Our Company, in consultation with the Selling Shareholders and the BRLMs, will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in two national newspapers (one each in English and Hindi) and one in Marathi newspaper, with wide circulation at least two Working Days prior to the Bid/Offer Opening Date.

(b) Our Company will file this Red Herring Prospectus with the RoC at least three days before the Bid/Offer Opening Date.

(c) Copies of the Bid cum Application Form and of this Red Herring Prospectus will be available with the Syndicate. For ASBA Bidders, Bid cum Application Forms will be available with the Designated Branches of the SCSBs, Syndicate in the Specified Cities and at the Registered Office. Electronic Bid Cum Application Forms will be available on the website of the Stock Exchanges and the SCSBs.

(d) QIBs (other than Anchor Investors) and Non Institutional Bidders can participate in the Offer only through the ASBA process. Retail Individual Bidders have the option to Bid through the ASBA process or non ASBA process.

(e) Any eligible Bidder who would like to obtain this Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office.

(f) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs or the Syndicate in Specified Cities to register their Bids.

(g) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate, otherwise they will be rejected. Further, such broker or SCSB branch shall affix its stamp, date and time on the Bid cum Application Form acknowledging the upload of the Bid in the electronic bidding system of the Stock Exchanges. Bid Cum Application Forms by ASBA Bidders submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch and/or the Syndicate Member in the Specified Cities, if not, the same are liable to be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Bidders (other than Anchor Investors) applying through the ASBA process also have an option to submit the Bid cum Application Form in electronic form or submit Bids through the Syndicate in the Specified Cities.

(h) The Bid cum Application Form can be submitted (i) in physical mode, to a Syndicate Member in the Specified Cities; or (ii) either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. ASBA Bidder may submit Bid cum Application Form in electronic mode only to the SCSBs with whom the ASBA Account is maintained and not to the Syndicate Members. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

(i) ASBA Bidders bidding through a Syndicate Member should ensure that the Bid cum Application Form is submitted to a Syndicate Member only in the Specified Cities. ASBA Bidders should also ensure that the Bid cum Application Forms submitted to the Syndicate Members in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html). ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application

Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(j) For ASBA Bids submitted to the Syndicate Members in the Specified Cities, the Syndicate Member shall upload the ASBA Bid onto the electronic bidding system of the Stock Exchanges and deposit the Bid cum Application Form with the relevant branch of the SCSB, at the relevant Specified City, named by such SCSB to accept such Bid cum Application Forms from the Syndicate Members (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html). The relevant branch of the SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form. For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form, before entering the ASBA Bid into the electronic bidding system.

(k) Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid by Bidders jointly, first Bidder should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid cum Application Form without the PAN is liable to be rejected. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be "suspended for credit" by the Depositories, and no credit of Equity Shares pursuant to the Offer will be made in the accounts of such Bidders.

Bidders should note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID, Client ID and PAN available in the database of Depositories, the application is liable to be rejected.

For Bid cum Application Forms, the basis of allotment will be based on the Registrar's validation of the electronic Bid details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks or SCSBs with the electronic Bid details.

Pre-Offer Advertisement

Subject to section 66 of the Companies Act, our Company shall, after registering this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi language daily newspaper, each with wide circulation.

Method and Process of Bidding

(a) Our Company, in consultation with the Selling Shareholders and the BRLMs, will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai edition of Loksatta (a widely circulated edition of Marathi newspaper) at least two Working Days prior to the Bid/Offer Opening Date. The members of the Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Offer Period.

(b) The Bid/Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. In case of revision in the Price Band, the Bid/Offer Period maybe extended, if required, by minimum three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(c) During the Bid/Offer Period, Bidders, other than QIBs, who are interested to submit Bid for the Equity Shares should approach the Syndicate (including at Specified Cities) or their authorised agents to register their Bids or SCSBs. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/Offer Period in accordance with the terms of this Red Herring Prospectus. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the

SCSBs or the member of the Syndicate (for the Bids to be submitted in the Specified Cities) to register their Bids.

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" below) within the Price Band and specify the demand (*i.e.*, the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCSBs will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids".

(f) Except in relation to the Bids received from the Anchor Investors, the members of the Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) The BRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/Offer Period *i.e.* one Working Day prior to the Bid/Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "Offer Procedure - Escrow Mechanism – Terms of payment and payment into the Escrow Accounts" on page 470.

(i) Bidders submitting Bid for Equity Shares exceeding 1,019,967 Equity Shares representing 2% or more of the post-Offer equity share capital of our Company should satisfy the 'fit and proper person' criteria as set out in Note 2 to the Equity Structure Guidelines, and should obtain the permission of the FMC. Such permission should be submitted to the Registrar no later than six Working Days from the Bid/Offer Closing Date. For further details, see section titled "Regulations and Policies" on page 162.

(j) Upon receipt of the Bid cum Application Form from ASBA Bidders, whether submitted in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids on the electronic bidding system of the Stock Exchanges.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids on the electronic bidding system of the Stock Exchanges.

(l) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(m) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSBs for unblocking the relevant ASBA Accounts and for transferring the amount due on the Equity Shares to be Allotted to the successful Bidders to the Public

Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

INVESTORS ARE ADVISED NOT TO SUBMIT THE BID CUM APPLICATION FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.

Bids at Different Price Levels and Revision of Bids

(a) Our Company, in consultation with the Selling Shareholders and the BRLMs and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side *i.e.* the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/Offer Opening Date and the Cap Price will be revised accordingly.

(b) Our Company, in consultation with the BRLMs, will finalise the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

(c) Our Company, in consultation with the BRLMs, can finalise the Anchor Investor Offer Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.

(d) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Bidders in the Employee Reservation Portion may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(f) Retail Individual Bidders and Bidders in the Employee Reservation Portion, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Bidders in the Employee Reservation Portion bidding at Cut-Off Price, shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the members of the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, see "Offer Procedure - Payment Instructions" on page 480.

Electronic Registration of Bids

(a) The members of the Syndicate and the SCSBs will register the Bids received, except Bids received from Anchor Investors, using the electronic bidding system of the Stock Exchanges.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Offer Closing Date.

(c) There will be at least one online connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted.

(d) Neither the BRLMs nor our Company or the Selling Shareholders nor the Registrar to the Offers shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members or SCSBs, (ii) the Bids uploaded by the Syndicate Members or SCSBs, or (iii) the Bids accepted but not uploaded by the Syndicate Members or SCSBs.

(e) The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, (iii) the Bids accepted but not uploaded by the SCSBs and (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the full Bid Amount has been blocked in the relevant ASBA Account.

(f) The Stock Exchanges will offer an electronic facility for registering Bids for the Offer. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/Offer Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the online facilities for Book Building on a regular basis. On the Bid/Offer Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the Bids on the electronic bidding system of the Stock Exchanges till such time as may be permitted by the Stock Exchanges.

(g) Based on the aggregate demand and price for Bids registered on the electronic facilities of Stock Exchanges, a graphical representation of consolidated demand and price as available on the website of the Stock Exchanges would be made available at the bidding centres during the Bid/Offer Period.

(h) At the time of registering each Bid other than ASBA Bids, the members of the Syndicate shall enter the following details of the Bidder in the electronic bidding system of the Stock Exchanges:

- Bid cum Application Form number;
- PAN (of the sole/first bidder);
- Investor Category;
- DP ID and client identification number of the beneficiary account of the Bidder; and
- Bid Amount;
- Cheque number;
- Numbers of Equity Shares Bid for; and
- Price per Equity Share.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders in the electronic bidding system of the Stock Exchanges:

- Bid cum Application Form number;
- PAN (of the sole/first bidder);
- Investor Category;
- DP ID and client identification number of the beneficiary account of the Bidder; and
- Bid Amount and Bid price option;
- Bank account number;
- Numbers of Equity Shares Bid for; and
- Price per Equity Share.

(i) With respect to ASBA Bids submitted to the members of Syndicate at the Specified Cities, at the time of registering each Bid, the members of Syndicate shall enter the following details in the electronic bidding system of the Stock Exchanges:

- Bid cum Application Form number;
- PAN (of the sole/first bidder);
- Investor Category;
- DP ID and client identification number of the beneficiary account of the Bidder; and
- Bid Amount and Bid price option;
- Bank account number;
- Numbers of Equity Shares Bid for;

- Price per Equity Share;
- Employee/shareholder;
- Bank code for the SCSB where the ASBA Account is maintained; and
- Name of Specified City.

(j) TRS will be generated for each of the bidding options when the Bid is registered. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches of the SCSBs.** The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated/Allotted either by the members of the Syndicate, our Company or the Selling Shareholders.

(k) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(l) In case of QIB Bidders, only (i) the SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in Specified Cities) have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, Bids will be rejected on technical grounds listed in the section "Rejection of Bids". The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

(m) The permission given by the Stock Exchanges to use its network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoter, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on BSE.

(n) Only Bids that are uploaded on the electronic bidding system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate and the SCSBs will be given up to one Working Day after the Bid/Offer Closing Date to verify the DP ID and Client ID uploaded on the electronic bidding system of the Stock Exchanges during the Bid/Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchanges and will validate the electronic bid details with Depositories records. In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Bids are liable to be rejected.

(o) The details uploaded on the electronic bidding system of the Stock Exchanges shall be considered as final and Allotment will be based on such details.

(p) Details of Bids in the Anchor Investor Portion will not be registered on the electronic bidding system of the Stock Exchanges.

Build up of the book and revision of Bids

(a) Bids received from various Bidders (other than Anchor Investors) through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs at the end of the Bid/Offer Period.

(c) During the Bid/Offer Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount *i.e.*, original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees, who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(h) Our Company and the Selling Shareholders, in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000.

(i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the Bidders. In such cases, the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(j) When a Bidder revises his or her Bid, he or she should surrender the earlier TRS request for a revised TRS from the members of the Syndicate or the SCSB as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(a) Based on the demand generated at various price levels, our Company, in consultation with the BRLMs, shall finalise the Offer Price and the Anchor Investor Offer Price.

(b) Under-subscription, if any, in any category, other than QIB Portion would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Selling Shareholders and the BRLMs. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer. In case of under subscription in the Net Offer, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting 10% of the post Offer capital of our Company. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion.

(c) Allocation to FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(d) Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLMs, subject to compliance with the SEBI Regulations.

(e) The BRLMs in consultation with our Company will notify the members of the Syndicate of the Offer Price and allocations to Anchor Investors, where the full Bid Amount has not been collected from the Anchor Investors due to the Offer Price being higher than the Anchor Investor Offer Price.

(f) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Offer Closing Date. Further the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the Selling Shareholders, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, our Company and the Selling Shareholders will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and will be complete in all material respects.

Advertisement regarding Offer Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Offer Price and the Anchor Investor Offer Price. Any material updates between the date of this Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Notice to Anchor Investors: Allotment Reconciliation and CANs

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN. All Anchor Investors will be sent a CAN post Anchor Investor Bidding Period and in the event that the Offer Price is higher than the Anchor Investor Offer Price, the Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. The revised CAN will constitute a valid, binding and irrevocable contract (subject to the issue of Allotment Advice) for the Anchor Investor to pay the difference between the Offer Price and the Anchor Investor Offer Price and accordingly the Allotment Advice will be issued to such Anchor Investors. In the event the Offer Price is lower than the Anchor Investor Offer Price, the Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice. The Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Offer Price being finalised at a price not higher than the Anchor Investor Offer Price and Allotment by the Board of Directors.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid/Offer Closing Date. After the funds are transferred from the Escrow Account to the Public Offer Account on the Designated Date, our

Company will ensure that the credit of the Equity Shares to the successful Bidder's depository account is completed within two Working Days from the date of Allotment.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Offer.

Issuance of Allotment Advice

(a) Bidders submitting Bid for Equity Shares exceeding 1,019,967 Equity Shares representing 2% or more of the post-Offer equity share capital of our Company should satisfy the 'fit and proper person' criteria as set out in Note 2 to the Equity Structure Guidelines, and should obtain the permission of the FMC. Such permission should be submitted to the Registrar no later than six Working Days from the Bid/Offer Closing Date. On receipt of the FMC approval from the Bidders who have Bid for Equity Shares exceeding 1,019,967 Equity Shares representing 2% or more of the post-Offer equity share capital of our Company, the Registrar shall consider Bids by such Bidders for preparing the Basis of Allotment. In case of Bidders who Bid for Equity Shares exceeding 1,019,967 Equity Shares representing 2% or more of the post-Offer equity share capital of the Company and are allocated 1,019,967 or more Equity Shares but do not submit the FMC approval within six Working Days of the Bid/Offer Closing Date, the Allotment shall be restricted to a maximum of 1,019,967 Equity Shares. Subject to these restrictions, the Allotment to all Bidders shall be on a proportionate basis. For further details, see section titled "Regulations and Policies" on page 162.

(b) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Company shall pass necessary corporate action for Allotment of Equity Shares.

(c) Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Offer.

(d) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(e) The Issuance of Allotment Advice is subject to "Notice to Anchor Investors - Allotment Reconciliation and CANs" as set forth above.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully, complete and sign the Bid cum Application Form;

(d) Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted either to the Syndicate (only in Specified Cities) or at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for bidding has a bank account. Further, such broker or SCSB branch shall affix its stamp, date and time on the Bid cum Application Form acknowledging the upload of the Bid in the electronic bidding system of the Stock Exchanges;

(f) With respect to Bids by ASBA Bidders ensure that the Bid cum Application Form is signed by the account holder(s) in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

(g) QIBs (other than Anchor Investors) and Non-Insitutional Bidders should submit their Bids through ASBA process only;

(h) Ensure that you request for and receive a TRS for all your Bid options;

(i) Ensure that the category is indicated;

(j) Ensure that full Bid Amount is paid for the Bids submitted to the members of the Syndicate and funds equivalent to Bid Amount are blocked in case of Bids submitted through SCSBs;

(k) ASBA Bidders shall ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the Bid cum Application Form to the respective Designated Branch of the SCSB or the Syndicate in Specified Cities;

(l) Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form to the Syndicate;

(m) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

(n) Submit revised Bids to the same member of the Syndicate/SCSB through whom the original Bid was placed and obtain a revised TRS;

(o) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act, 1961. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;;

(p) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(q) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(r) Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted by joint Bidders, ensure that the beneficiary account is also held in same joint names;

(s) Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate match with the DP ID, Client ID and PAN available in the Depository database;

(t) Bidders submitting Bid for Equity Shares exceeding 1,019,967 Equity Shares representing 2% or more of the post-Offer equity share capital of our Company should satisfy the 'fit and proper person' criteria as set out in Note 2 to the Equity Structure Guidelines, and should obtain the permission of the FMC. Such permission should be submitted to the Registrar no later than six Working Days from the Bid/Offer Closing Date. For further details, see section titled "Regulations and Policies" on page 162.

(u) In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the relevant SCSB and/or the Designated Branch and/or the Syndicate Member (except in case of electronic forms). Further, such broker or SCSB branch shall affix its stamp, date and time on the Bid cum Application Form acknowledging the upload of the Bid in the electronic bidding system of the Stock Exchanges;

(v) In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate Member in the Specified Cities, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholders or the Registrar to the Offer;

(w) ASBA Bidders bidding through a Syndicate Member should ensure that the Bid cum Application Form is submitted to a Syndicate Member only in the Specified Cities and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at-least one branch in the Specified Cities for the Syndicate Members to deposit the Bid cum Application Forms (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html);

(x) Ensure that the Bid cum Application Form is signed by the ASBA Account holder(s) in case the ASBA Bidder is not the account holder;

(y) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

(z) Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

(aa) Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian Laws;

(bb) In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and

(cc) In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch or from the Syndicate Member in the Specified Cities, as the case may be, for the submission of your Bid cum Application Form.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c) No Bidder who is a client of any member of our Company is permitted to Bid for Equity Shares exceeding 509,983 Equity Shares representing 1% or more of the post-Offer equity share capital of our Company.

(d) No Bidder who is a broker/member of other commodity exchanges is permitted to Bid for Equity Shares exceeding 509,983 Equity Shares representing 1% or more of the post-Offer equity share capital of our Company.

(e) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate or the SCSBs;

(f) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(g) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;

(h) Do not submit the Bid cum Application Forms to Escrow Collection Bank(s);

(i) Do not Bid on Bid cum Application Form that does not have the stamp of the BRLMs or Syndicate Members or the SCSBs;

(j) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of ₹ 200,000);

(k) Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders and Eligible Employees Bidding under Employee Reservation Portion);

(l) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Net Offer and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(m) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

(n) Do not submit the Bids without the full Bid Amount;

(o) Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

(p) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms, or on Bid cum application Forms in a color prescribed for another category of Bidder;

(q) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;

(r) Do not submit more than five Bid cum Application Forms per ASBA Account;

(s) Anchor Investors should not Bid through ASBA process;

(t) Do not submit the Bid cum Application Form with a Syndicate Member at a location other than the Specified Cities; and

(u) Do not submit ASBA Bids to a Syndicate Member in the Specified Cities unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at-least one branch in the relevant Specified City, for the Syndicate Members to deposit Bid cum Application Forms (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html).

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids must be:

1. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

2. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

3. Information provided by the Bidders will be uploaded on the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. Please ensure that the details are correct and legible.

4. For Retail Individual Bidders and Eligible Employees, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 200,000.

5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Offer. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations. Bids must be submitted through ASBA process only.

6. For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to ₹ 100 million and in multiples of [•] Equity Shares thereafter. Bids by various schemes of a Mutual Fund in the Anchor Investor Category shall be considered together for the purpose of calculation of the minimum Bid Amount of ₹ 100 million.

7. In case of joint bidding, the Bid cum Application Form should be submitted with the single name or name of first Bidder.

8. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and Client ID entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate or SCSBs, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code, PAN registered with the Depository and occupation (hereinafter referred to as "Demographic Details"). These Demographic Details would be used for processing including identifying Bids to be rejected on technical grounds, giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their Demographic Details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of the ASBA Account at the Bidders sole risk and neither the BRLMs or the Registrar to the Offer or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

Refund orders/Allotment Advice would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than the ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, the Selling Shareholders, the Escrow Collection Banks nor the BRLMs nor the Registrar to the Offer shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the parameters, namely, PAN of the Bidder, the DP ID and Client ID, then such Bids are liable to be rejected and refunds in such cases may be delayed.

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (White colour for Resident Indians, Blue colour for FIIs and Pink colour for Eligible Employees), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or name of first Bidder.

3. Bids on a repatriation basis shall be in the name of FIIs.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission.

There is no reservation for FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 250 Million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 Million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

(c) With respect to Bids made by provident funds with a minimum corpus of ₹ 250 Million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 Million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company, the Selling Shareholders and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of this Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the

Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the Bid cum Application Form. The SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the Bid cum Application Form and each ASBA Bidder or the account holder shall be deemed to have agreed to block such amount. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account and the same shall be acted upon by the SCSB concerned within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Offer and consequent transfer of the Bid Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Bids by ASBA Bidders, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    (a) In case of Resident Retail Individual Bidders: “MCX Public Offer – Escrow Account – R”

    (b) In case of Eligible Employees: “MCX Public Offer – Escrow Account - Employees”

4. Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the Offer Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Offer Price as per the pay-in date mentioned in the revised CAN. If the Offer Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Offer Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

    (a) In case of resident Anchor Investors: “MCX Public Offer - Escrow Account - Anchor - R”

    (b) In case of non-resident Anchor Investors (only FIIs): “MCX Public Offer - Escrow Account - Anchor - NR”

6. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance.

7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Offer Account with the Bankers to the Offer.

9. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/ money orders/ postal orders will not be accepted.

10. Payments made through cheques drawn on banks not participating in the local Magnetic Ink Character Recognition ("**MICR**") clearing will be rejected.

11. Bidders are advised to provide the number of the Bid Cum Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid Cum Application Form.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made jointly, however, the Bid cum Application Form shall be submitted in single or with the name of the first Bidder. In the case of joint Bids, all payments will be made out in favour of the first Bidder in the Bid cum Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one (and not more than one) Bid.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of the Mutual Fund and such Bids in respect of over one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Eligible Employees can Bid in the Employee Reservation Portion and the Net Offer and such Bids shall not be considered as multiple Bids. Bids by QIBs under the Anchor Investor Portion and the QIB Portion (excluding the Anchor Investor Portion) will not be treated as multiple Bids.

After submitting a bid using a Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the SCSBs and uploaded on the electronic bidding system of the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, whether on another Bid cum Application Form, to either the same or another Designated Branch of the SCSB. Submission of a second Bid in such manner will be deemed a multiple Bid and would be rejected before entering the Bid into the electronic Bidding system or at any point of time prior to the allocation or Allotment of Equity Shares in the Offer. However, ASBA Bidders may revise their Bids through the Revision Form, the procedure for which is described in "Build Up of the Book and Revision of Bids" below.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid cum Application Forms with respect to any single ASBA Account.

Duplicate copies of Bid cum Application Forms with the same PAN details shall be treated as multiple Bids and are liable to be rejected.

Our Company, in consultation with the Selling Shareholders and BRLMs, reserves the right to reject, in its absolute discretion, all or all except one of such multiple Bid(s) in any or all categories.

1. All Bids will be checked for common PAN as per the records of Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be

rejected.

2. For Bids from Mutual Funds and FII sub-accounts which were submitted under the same PAN as well as Bids on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim for which submission of PAN is not mandatory, the Bids will be scrutinised for DP ID and Client ID. In case applications bear the same DP ID and Client ID, these will be treated as multiple applications.

The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Client ID provided in the Bid data.

All instances where more than 20 the Bid cum Application Forms as the case maybe, have the same address, such Equity Shares shall be kept in abeyance subsequent to finalization of the Basis of Allotment and shall be credited to such Bidder's demat account upon receipt of appropriate confirmation from the concerned Depository Participant that the know your client process has been adequately conducted by it in all such cases.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, the Bidders, or in the case of a Bid by Bidders jointly, first or sole Bidder, should mention his/ her PAN allotted under the Income Tax Act, 1961. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected, except the residents of Sikkim may be exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

Withdrawal of ASBA Bids

ASBA Bidders (other than QIBs) can withdraw their Bids during the Offer Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn Bid cum Application Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case an ASBA Bidder (other than a QIB) wishes to withdraw the Bid after the Bid/Offer Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Offer prior to the finalization of Allotment. The Registrar to the Offer shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after approval of the 'Basis of Allotment'.

REJECTION OF BIDS

Our Company and the Selling Shareholders have a right to reject Bids based on technical grounds. In case of QIB Bidders, our Company, in consultation with the Selling Shareholders and BRLMs, may at the time of submission of the Bid, reject such Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. Consequent refunds shall be made by RTGS/NEFT/NECS/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the Bids by ASBA Bidders by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- DP ID and Client ID not mentioned in the Bid Cum Application Form;
- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the Bid cum Application Form does not tally

with the amount payable for the value of the Equity Shares Bid for;

- In case of partnership firms not registered under the Limited Liability Partnership Act, 2008, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors and insane persons;
- PAN not mentioned in the Bid cum Application Form except for Bids by or on behalf of the Central or State Government and officials appointed by the Court and by the investors residing in the state of Sikkim, provided such claims have been verified by the Depository Participant;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Bid by Bidders whose demat account have been "suspended for credit" pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Bidders who are members of our Company (being exchange members) shall not Bid in the Offer.
- Submission of more than five Bid cum Application Forms per ASBA Account;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids by Non-Resident investors other than Bids by FIIs;
- Bids for more than ₹ 200,000 by applying through the non-ASBA process;
- Bids for number of Equity Shares which are not in multiples of [•];
- Multiple Bids as defined in this Red Herring Prospectus;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Bid cum Application Form does not have the Bidder's depository account details or the details given are incomplete or incorrect;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Offer Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Forms;
- Bid Cum Application Forms not having details of the ASBA Account to be blocked or not containing the authorisations for blocking the Bid Amount in the bank account specified in the Bid Cum Application Form.
- In case no corresponding record is available with the Depositories that matches the DP ID and the Client ID;
- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process;
- Bids by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied by cheque(s) or demand draft(s);
- Bid cum Application Form submitted by ASBA Bidders to a Syndicate Member at locations other than the Specified Cities and Bid cum Application Forms submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company, the Selling Shareholders or the Registrar to the Offer;
- Bids by QIBs not submitted through the BRLMs or in case of ASBA Bids for QIBs not intimated to the BRLMs;
- Bids by persons in the United States and U.S. Persons – excluding qualified institutional buyers as defined in Rule 144A of the Securities Act and qualified purchasers as defined in the ICA;
- Bids not uploaded on the electronic bidding system of the Stock Exchanges; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES, THE APPLICATION IS LIABLE TO BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Offer shall be only in a de-materialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

- Agreement dated December 13, 2007 between NSDL, our Company and the Registrar to the Offer;
- Agreement dated November 29, 2007, between CDSL, our Company and the Registrar to the Offer.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder as provided in the electronic Bid file.

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on BSE having electronic connectivity with NSDL and CDSL. BSE where the Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of our Company would be in dematerialised form only for all Bidders in the demat segment of BSE.

(i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Offer.

Communications

All future communications in connection with Bids made in this Offer should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, the Bidders' Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted with the Designated Branches of the SCSBs, Bidders can contact the Designated Branches of the SCSBs.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the names of Bidder's DP ID and Client ID entered into the electronic Bid file, the Registrar to the Offer will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf to make refunds.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s) shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the centres where clearing houses are managed by the RBI and whose refund amount exceeds ₹ 200,000 will be considered to receive refund through RTGS. For such eligible applicants, IFSC code will be derived based on the MICR code of the Bidder as per the depository records/ RBI master. In the event the same is not available as per depository records/ RBI master, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders. Investors kindly note that the Government of India has discontinued the facility for despatch of refund orders, of value up to ₹ 1,500 by 'Under Certificate of Posting'.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Offer Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company and the Selling Shareholders shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give credit to the beneficiary account with Depository Participants of the Bidders and submit the documents pertaining to the Allotment to BSE within 12 Working Days from the Bid/Offer Closing Date.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/Offer Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company and the Selling Shareholders shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/Offer Closing Date.

In accordance with the Companies Act, the requirements of BSE and the SEBI Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Offer Closing Date;

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Offer Closing Date, whichever is later, would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Offer Closing Date, whichever is later; and

- Our Company and the Selling Shareholders shall pay interest at 15% p.a. for any delay beyond 15 days from the Bid/Offer Closing Date, whichever is later, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***

***shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

- The Net Offer less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Offer Price.

- The Net Offer less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIBs (other than Anchor Investors)

- Bids received from the QIB Bidders at or above the Offer Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful QIB Bidders will be made at the Offer Price.

- The QIB Portion shall be available for Allotment to QIB Bidders who have bid in the Offer at a price that is equal to or greater than the Offer Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

    (i) In the event that Bids by Mutual Funds exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    1. In the event that the oversubscription in the QIB Portion, all QIB Bidders (excluding Anchor Investors) who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

    2. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

    3. Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment (other than spill over in case of under-subscription in other categories) to QIB Bidders shall be up to [●] Equity Shares. Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of one Equity Share thereafter.

D. For Employee Reservation Portion

- The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Eligible Employees does not exceed ₹ 200,000. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may bid at Cut off Price.

- Bids received from the Eligible Employees at or above the Offer Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Offer Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Employees to the extent of their demand. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiple of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

- Only Eligible Employees are eligible to apply under Employee Reservation Portion.

E. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of our Company, in consultation with the Selling Shareholders and the BRLMs, subject to compliance with the following requirements:

  (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

  (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;

  (c) allocation to Anchor Investors shall be on a discretionary basis and subject to:

    i. a maximum number of two Anchor Investors for allocation upto ₹ 100 million;

    ii. a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum allotment of ₹ 5 crore per such Anchor Investor;

    iii. a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 2,500 million subject to minimum allotment of ₹ 5 crore per such Anchor Investor.

- The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Offer Price, shall be made available in the public domain by the BRLMs before the Bid/Offer Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment in the Offer

Except in relation to the Anchor Investors, in the event of the Offer being over-subscribed, our Company and the Selling Shareholders shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Offer shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder shall be Allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLMs.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company shall credit the Allotted Equity Shares to the beneficiary account with depository participants within 12 Working Days from the Bid/Offer Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid/Offer Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 days from the Bid/Offer Closing Date. In case of ASBA Bidders, the Registrar to the Offer shall instruct the relevant SCSBs to, on receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Offer Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar

Our Company and the Selling Shareholders agree that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Bid/Offer Closing Date. Our Company and the Selling Shareholders further agree that they shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/Offer Closing Date, whichever is later.

Our Company and the Selling Shareholders will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY OUR COMPANY AND THE SELLING SHAREHOLDERS

Our Company undertakes the following:

- That the complaints received in respect of this Offer shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at BSE where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Offer Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company and the Selling Shareholders;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/Offer Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
- That adequate arrangements shall be made to collect all Bid cum Application Forms and to consider them similar to Bid cum Application Forms by non-ASBA Bidders while finalising the Basis of Allotment.

The Selling Shareholders, severally, undertake that:

- That the Equity Shares being sold pursuant to the Offer, have been held by them for a period of more than one year;
- The Equity Shares being sold pursuant to the Offer are free and clear of any liens or encumbrances and shall be transferred to the eligible investors within the specified time;
- The Selling Shareholders shall inform our Company of any material developments known to them or which would have been reasonably known to them, which affects their ability to sell the Equity Shares in the Offer;
- The funds required for despatch of refund orders or Allotment advice by registered post or ordinary post shall be made available to the Registrar to the Offer by the Selling Shareholders;
- That the complaints received in respect of this Offer shall be attended to by the Selling Shareholders expeditiously and satisfactorily. The Selling Shareholders have authorised the Compliance Officer and the Registrar to the Offer to redress complaints, if any, of the investors;
- That the refund orders or Allotment advice to the successful Bidders shall be dispatched within specified time;
- That the Selling Shareholders shall not have recourse to the proceed of the Offer until approval for trading of the Equity Shares from BSE where listing is sought has been received; and
- No further offer of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Our Company shall transfer to the Selling Shareholders, the proceeds from the Offer, on the same being permitted to be released in accordance with applicable laws.

Utilisation of Offer proceeds

The Selling Shareholders along with the Company declare that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

By Press Note 2 of 2008 dated March 12, 2008, the Ministry of Commerce and Industry has allowed foreign direct investment in commodity exchanges through a composite ceiling on FDI and FII investment of upto 49%. Further, as set out in the FDI policy notified by the DIPP under Circular no. 2 of 2011 dated October 1, 2011, FII investment under the portfolio investment scheme is restricted to 23% whilst FDI investments under the FDI scheme are restricted to 26%. FIIs are permitted to purchase shares of commodity exchanges on the secondary market only. Such investment limit is subject to a further stipulation that no foreign investor / entity, including persons acting in concert shall hold more than 5% of the equity shares of such companies. In addition, FDI is allowed in commodity exchanges only with the prior approval of the Foreign Investment Promotion Board, Government of India. Further, FMC vide their letter dated March 11, 2008 has also communicated the said FDI policy to us.

No Non-Resident investor other than FIIs are permitted to participate in the offer.

Representation from the Bidders

No person shall make a Bid in Offer, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Underwriters, the Selling Shareholders and their respective directors, officers, agents, affiliates and representatives, as applicable, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters, the Selling Shareholders and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States and to U.S. Persons to (a) "qualified institutional buyers", as defined in Rule 144A of the Securities Act, in transactions exempt from the registration requirements of the Securities Act who are also (b) "qualified purchasers" as defined in the ICA in reliance upon section 3(c)(7) of such act, and (ii) outside the United States and to non-U.S. Persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

SECTION VII

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

Pursuant to Schedule II of the Companies Act and SEBI Regulations, the main provisions of the Articles of Association of our Company are set forth below:

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Increase in Capital

Article 7 provides that "The Company may from time to time, by special resolution, increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution."

Purchase by Company of its own shares.

Article 18 provides that "The Company may buy back its own shares in accordance with the provisions of the Companies Act, 1956."

Reduction of Capital

Article 17 provides that "The Company may by Special Resolution, after complying with the provisions of the Act, in any manner and with and subject to any incidence authorised and consent required by law, reduce its share capital; any capital redemption reserve account or any share premium account."

Variation of rights

Article 12 provides that "The right attached to any class of shares (unless otherwise provided by the terms of the issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of the Special Resolution passed at a separate meeting of the holders of the issued shares of that class and the provisions of these Articles relating to General Meeting shall *mutatis mutandis* apply, provided that the necessary quorum shall be two (2) persons at least holding one-tenth of the issued shares of the class."

COMMISSION AND BROKERAGE

Article 14 provides that "The Company may exercise the powers of paying commission and/or brokerage conferred by Section 76 of the Act."

CALLS ON SHARES

Article 21 provides that

a. "Subject to the provisions of Section 91 of the Companies Act, the Board may from time to time make such calls as it thinks fit upon the Members of the Company in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof, made payable at fixed times.

b. A call may be made payable in instalments.

c. Each member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board.

d. A call may be revoked or postponed at the discretion of the Board.

e. The option or right to call of shares shall not be given to any person except with the sanction of the issuer in general meeting."

When interest on calls payable

Article 21 provides that "If sum called in respect of shares is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate fixed by the Board, not exceeding fifteen per cent (15%) per annum, from the day appointed for the payment, but the Board shall be at liberty to waive payment of that interest wholly or in part."

Payment of calls in advance

Article 21 provides that "The Board may, if they think fit, and subject to the provision of Section 92 of the Act, receive from any Member willing to advance the same, either in money or moneys worth, all or any part of the moneys uncalled and unpaid-upon any shares held by him and upon all or any part of the moneys so advanced may, (until the same would, but for such advance become presently payable) pay without the sanction of the Company in General Meeting interest at such rate, not exceeding twelve per cent (12%) per annum, as may be agreed upon between the Member paying the sum in advance and the Board, but shall not in respect thereof confer a right to dividend or to participate in profits. The Member making such advance shall not be entitled to any voting rights in respect of such advance, until the same would but for such payment become presently payable. The provision of these Articles shall apply mutatis mutandis to calls on the debenture of the Company."

Partial payment not to preclude forfeiture

Article 21 provides that "Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of portion of any money which shall from time to time be due from any Member in respect of any share either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided."

TRANSFER AND TRANSMISSION OF SHARES

Instrument of transfer

Article 22 provides that "Subject to the provisions of Section 108 of the Act, the rules prescribed there under and these Articles, the shares in the Company shall be transferred by an instrument in writing in the prescribed form and duly stamped."

Article 22 provides that "The instrument of transfer of any shares in the Company shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register of Members of the Company in respect thereof."

Board's right to refuse transfer

Article 22 provides that " Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, The Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on the shares. Transfer of shares/ debentures in whatever lot shall not be refused."

Transfer Fee

Article 22 provides that "Notwithstanding any other provisions to the contrary contained in these presents, no fee shall be charged for any of the following:

a. For registration of transfer of shares or debentures, or for transmission of shares or debentures;

b. For sub-division and consolidation of share and debenture certificates and letters of allotment, and for splitting, consolidation and renewal into denominations corresponding to the market units of trading;

c. For sub-division of renounceable Letter of Right

d. For issue of certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised; and

e. For registration of any power of attorney, letters of administration or similar other documents.

Closure of Register of Members

Article 22 provides that "The Board may, after giving not less than seven (7) days previous notice by advertisement as required by the Companies Act, close the Register of Members or the register of debenture holders for any periods not exceeding in the aggregate forty-five (45) days in each year but not exceeding thirty (30) days at any one time."

Right to shares on death of a Member

Article 22 provides that "a**.** On the death of a Member, the survivor or survivors where the Member was joint-holder, and his legal representatives where he was sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares. **b.** Nothing in sub-clause (a) shall release the estate of a deceased joint-holder from any liability in respect of any shares, which had been jointly held by him with other persons."

<u>FORFEITURE OF SHARES</u>

If call or instalment not paid notice to be given

Article 24 provides that **"**If a Member fails to pay any call or instalment of a call or interest thereon on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or instalment or interest remains unpaid, serve a notice on such Member requiring him to pay the same together with interest at fifteen per cent (15%) per annum or such other rate as the Board may decide and all expenses that may be incurred by the Company by reason of such non-payment."

Forfeiture on failure to comply with notice

Article 24 provides that **"**If the requirements of any such notice as aforementioned are not complied with, any shares in respect of which the notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect and such forfeiture shall include all dividends declared in respect of forfeited shares and not actually paid before forfeiture."

Boards right to disposal of forfeited shares or cancellation

Article 24 provides that **"**A forfeited or surrendered share shall be deemed to be the property of the Company and may be sold or otherwise disposed of on such terms and in such manner as the Board may think fit, but at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board may think fit."

Liability after forfeiture

Article 24 provides that **"**A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but shall notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of shares together with interest at fifteen per cent (15%) per annum, whether such claim be barred by limitation on the date of the forfeiture or not; but his liability shall cease if and when the Company receives payment in full of all moneys due. The Board may if they shall think fit remit the payment of such interest or any part thereof."

SET-OFF OF MONEYS DUE TO SHAREHOLDERS

Article 25 provides that "Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls or otherwise."

CONVERSION OF SHARES INTO STOCK

Conversion of shares into stock and re-conversion

Article 26 provides that "The Company, by an ordinary resolution, may:

a. Convert any paid-up shares into stock; and

b. Re-convert any stock into paid-up shares of any denominations."

Rights of Stock-holders

Article 26 provides that "The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as conferred by Section 96 of the Act."

BORROWING POWERS

Article 57 provides that "Subject to these Articles, the Board may, from time to time, but with such consent of the Company in general meeting as may be required under Section 293 of the Act, raise or borrow or secure the repayment of any moneys or sums of moneys for the purpose of the Company; provided that the moneys to be borrowed by the Company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, shall not, without the sanction of the Company at a general meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves.

Provided that, every resolution passed by the Company or the power to borrow as stated above shall specify the total amount up to which moneys may be borrowed by the Board. The Directors may by a resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director within the limits prescribed."

GENERAL MEETINGS

Annual General Meeting

Article 27 provides that "In addition to any other meetings, Annual General Meeting of the Company shall be held within such intervals as are specified in Section 166 (1) of the Companies Act and, subject to the provisions of Section 166 (2) of the Companies Act, at such times and places as may be determined by the Board. Each such general meeting shall be called an "Annual General Meeting" and shall be specified as such in the notice of convening the meeting. Any other meeting of the Company shall be an "Extraordinary General Meeting"."

Right to summon Extraordinary General Meeting

Article 27 provides that "The Board may whenever it think fit and shall on the requisition of the Members in accordance with Section 169 of the Companies Act proceed to call an Extraordinary General Meeting. The requisitionists may, in default of the Board convening the same, convene the Extraordinary General Meeting as provided by Section 169 of the Companies Act. Provided that, unless the Board shall refuse in writing to permit the requisitionists to hold the said meeting at the Registered Office, it shall be held at the Registered Office."

Extraordinary General Meeting by requisition

Article 27 provides that "The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions proposed by the Members and circulating statements on the requisition of members."

Notice for General Meeting

Article 27 provides that "A General Meeting of the Company may be called by giving not less than twenty one (21) days' notice in writing, provided that, a General Meeting may be called after giving shorter notice if consent thereto is accorded in the case of the Annual General Meeting by all Members entitled to vote thereat and in the case of any other meeting, by Members of the Company holding not less than ninety-five per cent (95%)of that part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting.

Provided that where any Members of the Company are entitled to vote on some resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter."

Accidental omission to give notice not to invalidate meeting

Article 27 provides that "Accidental omission to give notice of any meeting to or non-receipt of any such notice by any of the Members shall not invalidate the proceedings of or any resolution passed at such meeting."

Special business and statement

Article 27 provides that " (a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of declaration of a dividend, the consideration of the accounts, balance sheets and the reports of the Directors and Auditors, the election of the Directors in the place of those retiring by rotation and the appointment of and the fixing of the remuneration of Auditors; (b) Any Annual General Meeting may transact any item of business whether ordinary or special; (c) Provided that, where any item of special business as aforesaid to be transacted at a meeting of the Company, the extent of share holding interest in that other company of every Director and the Managing Director of the Company shall also be set out in the statement if the extent of such share-holding interest is not less than two per cent (2%) of the paid-up share capital of that other company."

PROCEEDINGS AT GENERAL MEETING

Quorum

Article 28 provides that "Five (5) Members personally present shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the time when the meeting proceeds to business."

If quorum not present, when meeting to be dissolved and when not to be dissolved

Article 28 provides that "If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting if called upon the requisition of Members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present, within half an hour from the time appointed for the meeting, the Members present shall be a quorum."

Adjournment of meeting

Article 28 provides that "The Chairman, may with the consent of the majority of Members personally present at a meeting at which a quorum is present (and shall if so directed by such majority), adjourn that meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place. When a meeting is adjourned for thirty 30) days or more, notice of the adjourned meeting shall be given as nearly as may be as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment of the business to be transacted at an adjourned meeting."

Questions at General Meeting how decided

Article 28 provides that "At any General Meeting, a resolution put to the vote in the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority or lost and an entry to that effect in the books of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution."

Casting Vote

Article 28 provides that "In the case of an equality of votes, the Chairman shall, both on a show of hands and on a poll, have a second or casting vote in addition to the vote or votes to which he may be entitled as a Member."

Taking of poll

Article 28 provides that "If poll is duly demanded in accordance with the provisions of Section 179 of the Companies Act, it shall be taken in such manner as the Chairman directs and in accordance with the provisions of Sections 183 and 185 of the Companies Act and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken. The Chairman shall appoint two (2) scrutineers in the manner required by Section 184 of the Companies Act."

VOTES AT MEETINGS

Voting rights

Article 29 provides that "Every Member of the Company holding any equity shares having voting rights, shall have a right to vote in respect of such share on every resolution placed before the Company. On a show of hands, every such Member present in person shall have one vote. On a poll, his voting right in respect of such shares shall be in proportion to his share of the paid-up equity capital of the Company."

No vote if calls unpaid

Article 29 provides that "No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid."

Vote by proxy

Article 29 provides that "On a poll, votes shall be given in person."

Representation of company or body corporate

Article 29 provides that "Where a company or body corporate (hereinafter called "member company") is a Member of the Company, a person, duly appointed by resolution of the member company's board of directors in accordance with the provisions of Section 187 of the Act to represent such member company at a meeting of the Company or at any meeting of class of members of the Company, shall not by reason of such appointment be deemed to be a proxy. A copy of such resolution duly signed by a director of such member company and certified by him as being a true copy of the resolution, upon lodging with the Company at the Office or production at the meeting, shall be accepted by the Company as sufficient evidence of the validity of his appointment; such a person shall be entitled to exercise the same rights and powers, including the right to vote on behalf of the member company, as if it were an individual Member."

Validity of vote

Article 29 provides that "No objection shall be made to the validity of any vote, except at the meeting or the adjourned meeting or poll at which such vote shall be tendered, and every vote, whether given personally and not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever."

Chairman sole judge of validity

Article 29 provides that "The Chairman of the meeting shall be the sole judge of the validity of every vote tendered at such meeting and the Chairman present at the taking of the poll shall be the sole judge of the validity of every vote tendered at such poll."

Casting of vote by Postal Ballot

Article 29 provides that "In accordance with the relevant provisions of the Companies Act, 1956, and the rules made thereunder, the specified items of business to be decided by postal ballot shall be so decided and the Company shall comply with the applicable provisions."

<u>BOARD OF DIRECTORS</u>

Number of Directors

Article 30 provides that "The Board shall consist of not more than 18 (Eighteen) Directors inclusive of Government of India/FMC nominees and Independent Directors in public interest as specified/directed by FMC in its directives/circulars/guidelines in this regard from time to time.Provided that any increase in the number of directors beyond eighteen shall be with the approval from the Central Government."

(The maximum numbers of directors of the Company has been increased from Twelve to Eighteen (12 to 18) vide, Special Resolution dated 24.09.2004 and Central Government's approval Order No. 3/91204 –CL.VII dated 1st April 2005. This approval was valid up to March 31, 2006 which has been extended for a further period up to July 31, 2007 by of way of letter dated June 12, 2006).

Non-retiring Directors

Article 30 provides that "Mr. Jignesh Shah, shall be a permanent Director of the Company and shall hold office which shall not be liable to retire by rotation."

Shareholders to appoint Directors

Article 30 provides that "Subject to the provisions of Section 255 of the Act, Directors other than the Non-retiring Directors (whose number shall not exceed one third of the total number of directors) and nominated Directors shall be appointed by the shareholders of the Company in a General Meeting and shall be liable to retire by rotation as hereinafter provided.

Share Qualification

Article 30 provides that "No share qualification shall be required to be held by any Director."

Additional Director

Article 30 provides that "The Board shall have power, at any time and from time to time, to appoint any person as a Director, as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual general Meeting of the Company but shall be eligible to be elected at such meeting."

<u>MANAGING DIRECTOR / WHOLE TIME DIRECTOR</u>

Article 32 provides that "The Board may from time to time appoint any one or more Directors to be the Managing Director(s) or Whole Time Director(s) of the Company on such terms and conditions as the Board may think fit and for a fixed term or without any limitation as to the period for which he is to hold such office, and may from time to time (subject to the provisions of any contract between him and the Company) remove or dismiss him from office and appoint another in his place. The Board may similarly appoint one or more Deputy Managing Director(s) of the Company.

The Managing Director shall function as the Chief Executive of the Exchange and all powers in respect of the day-to-day affairs of the Company shall be vested with him. Besides, the Board may delegate on him such other powers and responsibilities, as it may deem fit, from time to time. The Managing Director shall be empowered to delegate such powers and functions to other officers or committees or Advisory Boards, as he may desire."

Removal of Directors

Article 33 provides that **"**The Company may remove any Director before the expiration of his period of office in accordance with the provisions of Section 284 of the Act and may, subject to the provisions of Sections 262 and 274 of the Act and these Articles, appoint a person in his stead.

Provided that the directors appointed by FMC cannot be removed by the company."

Remuneration of Directors

Article 35 provides that

"(a) Subject to the provisions of the Act, a Managing Director or a Director who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other or otherwise in any other mode not expressly prohibited by the Act.

(b) Subject to the provisions of the Act, a Director, who is neither a Managing Director nor in the whole-time employment of the Company, may be paid remuneration either:

(i) By way of monthly, quarterly or annual payment with the approval of the Government; or

(ii) By way of commission, if the Company authorises such payment by a special resolution.

(c) The fee payable to a Director (excluding a Managing Director or a whole-time Director) for attending a meeting of the Board or Committee thereof shall be such sum as may be decided by the Board, not exceeding the maximum sum as may be allowed to be paid under the provisions of the Companies Act and rules made thereunder.

(d) If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

(e) The Directors shall allow and pay to any Director who is not a bona fide resident in the place where meetings of the Directors or of a Committee are ordinarily held and who shall come to such place or who incurs travelling & other expenses for attending a meeting of the Board or a Committee, such sum as the Directors may consider fair compensation for his travelling and other expenses for attending a meeting of the Board or a Committee in addition to his fee for attending such meeting."

Director may contract with the Company

Article 38 provides that

"(a) Subject to the provisions of Section 314 of the Act, no Director shall be disqualified from his office by holding any office or place of profit under the Company or under any company in which this Company shall be a share holder, or otherwise interested, or which is a shareholder in this Company, or from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the company in which any Director shall be in any way interested, be avoided, nor shall any Director be liable to account to the Company for any profit arising from any such office or place of profit or released by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established, but it is declared that the nature of his interest shall have been disclosed by him at the meeting of the Directors at which the contract or arrangement is determined on, if his interest then existed or in any other case, at the first meeting of the Directors after the acquisition of his interest.

(b) Subject to the relevant provisions of the Companies Act, 1956, no Director shall as a Director vote in respect of any contract / arrangement in which he is so interested as aforesaid and if he does so vote, his vote shall not be counted. Such prohibition shall not apply to any contract by or on behalf of the Company to give the Directors or any of them any security for advance or by way of indemnity.

(c) A general notice in the prescribed form that a Director is a member of any specified firm or company, and that he is to be regarded as interested in all transactions with that firm or company, shall be sufficient disclosure under this clause as regards such Director and such transactions, and after such general notice it shall not be necessary to give any special notice regarding any particular transaction with that firm or company."

Rotation and retirement of Directors

Article 39 provides that

"a. At every Annual Meeting one third of such Directors for the time being are liable to retire by rotation or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office. The Directors to retire in such cases shall be those who have been longest in office since the last appointment but as between persons who became directors on the same day, shall (unless they otherwise agree among themselves) be determined by lot. Provided that, the Director (s) nominated by FMC, the Managing Director(s) and Whole time Director(s) if any shall not be liable to retirement by rotation and shall not be counted for the purpose of determining the number of Directors liable to retire by rotation."

b. A Retiring Director shall be eligible for re-election. The Company at the General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing him or another person thereto.

c. Subject to Section 256 of the Act, if any meeting at which an election of Directors ought to take place, the place of the vacating Director is not filled up and the meeting has not expressly resolved not to fill up the vacancy, the meeting shall stand adjourned till the same day in the next week or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting the place of vacating Directors is not filled up and that meeting has also not expressly resolved not to fill up the vacancy, then the vacating Director or such of them as have not had their places filled up shall be deemed to have been re-appointed at the adjourned meeting.

d. Financial Technologies (India) Limited. (FTIL) shall have the right to appoint its nominee on the Board of Directors Of the Company upon such terms and conditions as it may think fit as long as it continues to hold more than 4% of the paid up equity capital of the Company. Such a nominee shall not be required to hold any qualification shares and shall otherwise be entitled the same rights and privileges and be subject to the same obligations as any other Director of the Company. Such nominees shall be entitled to receive notices of all Board and General Meetings of the Company. Such a nominee shall not retire by rotation. FTIL shall have the right to replace/withdraw/remove its nominee Director at any time and from time to time. FTIL shall also have the right to nominate its nominee on each committee appointed by the Board."

General Meeting to increase or reduce the number of Directors

Article 40 provides that **"**Subject to the provisions contained in these Articles and Sections 252, 255 and 259 of the Act, the Company in General Meeting may increase or decrease the number of its Directors. Provided that the number of public / Non-Executive Directors will always constitute one third of the Board."

Acts done by the Board valid notwithstanding defective appointment

Article 41 provides that "All acts done by Board, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director and such person had been appointed and was qualified to be a Director as the case may be."

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meeting of the Board

Article 42 provides that

"a. The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit; provided that a meeting of the Board shall be held at least once in every three (3) calendar months and at least four (4) such meetings shall be held every year.

b. The Chairman or Managing Director, may and the Secretary shall on the request of two or more Directors summon a meeting of the Board. Meetings of the Board of the Company shall be held pursuant to a notice of at least seven (7) days or such shorter notice as may be agreed by the directors. The notice of meeting of the Board shall be given in writing to every Director, whether absentee or alternate, at his usual address whether in India or abroad.

c. Where a notice of meeting is required to be given to a Director who is not in India, the notice shall be given by telex or facsimile (fax) or Email transmission at the telex or fax number or Email address provided by such Director. The service of notice shall be deemed to have been effected on the first Working Day following the day on which the telex or fax or Email is sent.

d. Every notice convening a meeting of the Board shall set out the agenda of the business to be transacted thereat in full and sufficient details. Unless otherwise agreed to by all the Directors for the time being of the Company, no item of business shall be transacted at such meeting, which had not been stated in full and sufficient detail in the said notice convening the meeting.

Resolution by circulation

Article 44 provides that "Save as otherwise expressly provided in the Act, a resolution shall be as valid and effectual as if it had been passed by the Board or a Committee constituted by the Board, as the case may be, duly called and constituted if a draft thereof in writing is circulated with the necessary papers, if any, to all the Directors or to all the Members of the Committee (including absentee Directors / Members), as the case may be, at the usual address whether in or outside India, and has been approved in writing by a majority of such of them as are entitled to vote on the resolution."

Quorum

Article 46 provides that "The quorum for a meeting of the Board shall be one-third of its total strength, (any fraction contained in that one-third being rounded off as one) or three (3) Directors whichever is higher, provided that, where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of Directors who are not interested, present at the meeting, being not less than three (3), shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting; that is, the total strength of the Board after deducting there from the number of Directors, if any, whose places are vacant at that time."

Nomination of Directors by Government or financial institution

Article 60 provides that "In case the Central Government or any State Government or any industrial finance corporation, sponsored or financed by any of the above Governments, or any other financial institution, bank or agency grants loan or accepts participation in the capital of the Company in pursuance of any underwriting of the capital of the Company, such Government, corporation, other financial institution or bank may, if the Company so consents, be entitled, so long as such Government corporation, other financial institution or bank continues to be a creditor or shareholder in terms of such arrangement, to nominate, and from time to time to substitute in the place of such nominee, a Director to protect the interests of such Government, corporation, other financial institution or bank, on the Board of Directors of the Company. The Director, so nominated, shall not be liable for retirement by rotation or to hold any qualification shares. The appointing Government, corporation, other financial institution or bank may, from time to time, remove the person so appointed and appoint or re-appoint any other person in his place. In the event of any vacancy in the office of such Director, for any reason whatsoever, the Government, corporation, other financial institution or bank that appointed him, may appoint any other person to fill up such vacancy."

DIVIDENDS AND RESERVES

Declaration of dividends

Article 69 provides that "The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board."

Interim dividend

Article 70 provides that "The Board may from time to time pay to the Members such interim dividends as appear to them to be justified by the profits of the Company."

Dividends to be paid out of profits only

Article 71 provides that "No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act."

Reserves

Article 72 provides that

"(a) The Board may, before recommending any dividend, set aside out of the profits of the Company, such amount as they think proper as a reserve, which shall, at the discretion of the Board, be applicable for any purpose to which the profit of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends, and pending such application, may at its discretion either be employed in the business of the Company or be invested in such investment as the Board may, from time to time, think fit.

(b) The Board may also carry forward any profits, which it may think prudent not to divide, without setting them aside as reserve."

Adjustment of dividends against calls

Article 74 provides that "Any general meeting declaring a dividend or bonus may make a call on the members of such amount as the meeting fixes, but the call on each Member shall not exceed the dividend or bonus payable to him and the call can be made payable at the same time as the dividend or bonus and the dividend or bonus may if so arranged between the Company and the members be set off against the call."

No interest on dividend

Article 77 provides that "No dividend shall bear interest against the Company."

CAPITALIZATION OF PROFITS

Article 80 provides that

"(a) Subject to these Articles, the Company in General Meeting, may on the recommendation of the Board, resolve:

(b) (i) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) That such sums be accordingly set free for distribution in the manner specified in these presents, amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions."

DIRECTORS' POWER TO DECLARE BONUS

Article 81 provides that

"(a) Whenever a resolution to declare and distribute bonus, as aforesaid, shall have been passed, the Board shall:

(i) Make all appropriations and applications of the undivided profits resolved to be capitalised hereby and make all allotments and issue fully paid shares if any; and

(ii) Generally do all acts and things required to give effect thereto."

WINDING UP

Distribution of assets upon winding up

Article 94 provides that "If the Company shall be wound up and if the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up equity capital or equity capital deemed to be paid-up, such assets shall be distributed so that the losses shall be borne by the Members in proportion to the equity capital paid-up or deemed to be paid-up at the commencement of the winding up, on the shares held by them respectively; and if in winding up, the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the equity capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the equity capital paid-up or deemed to be paid-up at the commencement of the winding up, on the shares, held by them respectively. In the event of winding up, where capital is paid-up on any shares in advance of calls, upon the condition that the same shall carry interest, such capital shall be excluded and shall be repayable in full before the distribution is made on the paid-up capital or capital deemed to be paid-up together with interest at the rate agreed upon. The provisions of this Article shall be subject to any special rights or liabilities attached to any special class of shares forming part of the capital of the Company."

Indemnity and Responsibility

Article 96 provides that

"(a) Subject to the provisions of the Act, the Managing, Technical, Executive or whole- time Directors, Secretary, Auditor, Advisor and every officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Company to pay out of the funds of the Company, all properly documented costs, losses, and expenses including travelling expenses which any such Managing, Technical, Executive or whole-time Directors, Director, Secretary, Auditor, Advisor, Officer or employee may incur or become liable to, by reason of any contract entered into or act or deed done by him or in any other way in the discharge of his duties as such Managing, Technical, Executive, or whole-time Directors, Director, Secretary, Auditor, Officer or employee.

(b) Subject as aforesaid the Managing, Technical, Executive or whole-time Directors and every Director, Manager, Secretary or other officer or employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgement is given in their or his favour or in which they or he is connected with any application under Section 633 of the Act in which relief is given to them or him by the Court."

Secrecy

Article 98 provides that

“(a) No Member shall be entitled to visit or inspect the Company’s work without the permission of the Directors or an officer authorised by the Board or Managing Director, or to require discovery of, or any information respecting, any detail of the Company’s business or any matter which is or may be in the nature of a business secret, mystery of trade or secret process, or which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate to public.

(b) Every Director, Managing, Technical, Whole-time, Executive Director, Manager, Secretary, Auditor, Trustee, member of a Committee, Officer, Agent, Accountant, Employee or other person employed in the Business of the Company shall if so required by the Board before entering upon his duties, or at any time during his term of office, sign a declaration pledging himself to strict secrecy respecting all transactions of the Company; all technical information possessed by the Company, and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any general meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles.”

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company between 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date.

Material Contracts to the Offer

1. Offer Agreement amongst our Company, the Selling Shareholders, and the BRLMs dated March 31, 2011.

2. Memorandum of Understanding executed by our Company, the Selling Shareholders and the Registrar to the Offer dated March 21, 2011.

3. Escrow Agreement dated [•] among our Company, the Selling Shareholders, the BRLMs, Escrow Collection Bank(s) and the Registrar to the Offer.

4. Syndicate Agreement dated [•] among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

5. Underwriting Agreement dated [•] among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

6. Share Escrow Account Agreement dated [●] among our Company, the Selling Shareholders and the Registrar to the Offer.

Material Contracts to our Company

1. Software Development Agreement with FTIL dated February 27, 2003 for supply of customized software to be used for integrated online trading, clearing and settlement system.

2. Software Development Agreement with FTIL dated December 23, 2003 for supply of customized software to be used for integrated online trading, clearing and settlement system.

3. Agreement for IT infrastructure and software services with effect from October 1, 2005 with FTIL, as renewed by an agreement dated October 10, 2006 and further renewed by agreements dated October 31, 2007 and July 15, 2010.

4. Software development agreement with FTIL dated October 1, 2005 for supply of computer software (i.e. risk management system and standard portfolio analysis of risk) and related services.

5. Services Agreement with FTIL dated June 21, 2006, supplementary agreements dated April 2, 2007, October 31, 2007, October 25, 2008 and September 23, 2009 and addendum dated July 2, 2010 and May 26, 2011 with FTIL for software relating to support and maintenance services to our members for accessing the platform for trading purpose.

6. Software development agreement with FTIL on October 3, 2006 to provide customized software in respect of data warehousing applications.

7. Software development agreement with FTIL on October 3, 2006 to provide customized software to enable trading by banks, foreign institutional investors and mutual funds on our electronic trading platform.

8. Managed services agreement dated September 27, 2007, partially modified by agreement dated October 31, 2007 supplementary agreements dated April 9, 2008 and September 23, 2009 and addendum dated June 7, 2010 and June 10, 2011, with FTIL with respect to provision of IT support services for trading and clearing

operations, office systems management and common services.

9. Agreement with FTIL dated March 12, 2007 to develop software to enable multi-lingual support.

10. Agreement with FTIL dated February 25, 2008 for development, delivery and implementation of customized exchange technology software.

11. Memorandum of understanding with FTIL dated October 3, 2008, as amended by an addendum dated September 23, 2009 and June 10, 2011, for provision of business support services including shared services, such as management support services, infrastructure related support services, human resource related support services, legal function support, etc. by FTIL.

12. Agreement dated December 1, 2008 for licensing all the software applications under the software licensing agreements entered into between our Company and FTIL on February 27, 2003, December 23, 2003, October 1, 2005, October 3, 2006, October 3, 2006, March 12, 2007, February 25, 2008 and October 25, 2008 and proposal dated July 20, 2008.

13. Software licensing agreement dated July 2, 2009 with FTIL for grant of license by FTIL for the software SPAN® Real Time Component Interface and SPAN Risk Manager Clearing.

14. Cost sharing agreement dated May 22, 2009, as amended by an addendum dated December 21, 2011 with FTIL for sharing costs incurred by FTIL in relation to hardware, software, peripherals, infrastructure and related items.

15. Software development agreement dated March 3, 2010 with FTIL for provision of software development (advanced charting tools) and related services by FTIL.

16. Software License Agreement dated May 23, 2011 with FTIL whereunder FTIL has granted our Company a non-exclusive, non-assignable and non-transferable, license to use the software known as Alert Management System.

17. Consultancy Service Agreement dated September 16, 2011 with FTIL whereby our Company will provide specifications on the basis of its business requirements and based on which, FTIL will provide its consultancy services on a non-exclusive basis.

18. Agreement dated February 5, 2008 for transfer of training, consultancy and certification related activities to FT Knowledge Management Company Limited.

19. Training agreement dated September 28, 2009 with FT Knowledge Management Company Limited for conducting seminars/workshops/conferences on commodities and derivatives market and securities.

20. Agreement dated February 6, 2009 for provision of warehousing space for the storage of various food grains, pulses and other agro-based commodities by National Bulk Handling Corporation Limited and amendment agreements dated November 9, 2009, February 17, 2011 and September 16, 2011.

21. Software Development Agreement dated March 5, 2011 with Atom Technologies Limited whereby they have agreed to provide certain software to our Company alongwith the license for usage of such software and related services as set out in the agreement.

22. Agreement dated December 1, 2008 for transferring the business of conducting research on commodities leading to the publication of commodity reports and manuals for trading in commodity derivatives and publication of the quarterly journal, "Commodity Vision" to Takshashila Academia of Economic Research.

23. Research agreement dated September 26, 2009 with Takshashila Academia of Economic Research and amendment agreements dated September 27, 2010 and May 25, 2011.

24. Share subscription agreement dated June 27, 2005 amongst our Company, FTIL and Bennett, Coleman and Company Limited.

25. Share subscription agreement dated January 26, 2006 with Fidelity Funds-India Focus Funds.

26. Share purchase agreement dated September 27, 2007 with Merrill Lynch Holding (Mauritius) and FTIL and our Company.

27. Share purchase agreement dated September 21, 2007 between FTIL and Passport India Investments (Mauritius) Limited.

28. Share purchase agreement dated December 11, 2007 between FTIL and Kotak Mahindra Trusteeship Services Limited.

29. Share purchase agreement dated September 7, 2007 between FTIL and GLG Financials Fund Limited.

30. Share purchase agreement dated September 20, 2007 amongst Citigroup Strategic Holdings Mauritius Limited, FTIL and our Company and deed of novation with Aginyx Enterprises Limited dated December 1, 2009.

31. Share purchase agreement dated November 7, 2007 amongst New Vernon Private Equity Limited, FTIL and our Company.

32. Share purchase agreement dated November 7, 2007 amongst ICICI Trusteeship Limited, FTIL and our Company.

33. Share purchase agreement dated November 15, 2007 amongst ICICI Lombard General Insurance Limited, FTIL and our Company.

34. Tripartite share purchase agreement amongst Alexandra Mauritius Limited, FTIL and our Company on November 29, 2007.

35. Share purchase agreement amongst IL&FS Trust Company Limited (SCB Asian Infrastructure Fund) ("IL&FS") and our Company on November 12, 2007.

36. Share purchase agreement amongst NYSE Euronext, FTIL and our Company on March 24, 2008 and novation agreement amongst FTIL, NYSE Euronext, Euronext N.V. and our Company dated June 21, 2008.

37. Share purchase agreement amongst our Company, ICICI Trusteeship Services Limited acting through its investment manager ICICI Venture Funds Management Company Limited, FTIL and Bennett, Coleman and Company Limited dated May 13, 2009.

38. Share purchase agreement amongst our Company, Edelweiss Capital Limited (presently Edelweiss Financial Services Limited), FTIL and Brand Equity Treaties Limited dated March 29, 2010.

39. Share purchase agreement amongst our Company, Edelweiss Capital Limited (presently Edelweiss Financial Services Limited), FTIL and HT Media Limited dated March 30, 2010 and letter dated April 1, 2010 from FTIL addressed to HT Media Limited.

40. Advertising agreement dated May 15, 2009 with Brand Equity Treaties Limited.

41. Advertising agreement dated March 29, 2010 with Brand Equity Treaties Limited.

42. Advertising agreement dated March 30, 2010 with HT Media Limited.

43. Agreement dated June 29, 2009 for the appointment of Lambertus Rutten as the Managing Director and CEO of our Company and resolution of the Remuneration Committee dated February 26, 2010, September 20, 2010 and September 16, 2011, revising the terms of his remuneration.

Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company as amended from time to time.

2. Resolution dated June 29, 2009 by the Board and resolutions dated March 29, 2011 and March 31, 2011 by the IPO Committee authorizing the Offer.

3. Reports of the statutory Auditors dated January 25, 2012, prepared as per Indian GAAP and mentioned in this Red Herring Prospectus, and consents of the Auditors for inclusion of their names as statutory auditors and of their reports on accounts in the form and context in which they appear in this Red Herring Prospectus.

4. The statement of tax benefits dated September 20, 2011 from V. Sankar Aiyar & Co., Chartered Accountants.

5. Letters dated November 22, 2011 and January 31, 2012 by FMC granting extension of time till March 31, 2012 for compliance with the requirements of Clause 3.3 of the Equity Structure Guidelines dated July 29, 2009 and for finalizing the IPO of our Company.

6. Letter dated August 25, 2011 from FIPB stating that the holdings of FIIs in the commodity exchanges is limited to 23% and restricted to secondary markets subject to prior approval of the RBI.

7. Letter dated November 29, 2011 from FIPB approving the sale of equity shares under the Offer from resident and non-resident shareholders to resident Indian nationals and SEBI registered FIIs subject to compliance with applicable FDI policy.

8. Letter dated November 29, 2011 from the RBI providing no-objection to the Offer subject to compliance of the Offer with its circular dated November 4, 2011.

9. Copies of the annual reports of our Company for the last five financial years.

10. Consents of BRLMs, Syndicate Members, Registrar to the Offer, Escrow Collection Bank(s), Banker to the Offer, Bankers to our Company, Legal Counsel to our Company, Legal Counsel to the Underwriters, Directors, Company Secretary and Compliance Officer, IPO Grading Agency and V. Sankar Aiyar & Co, Chartered Accountants, as referred to, in their respective capacities.

11. In-principle listing approval dated May 19, 2011 from BSE.

12. Tripartite agreement between NSDL, our Company and the Registrar to the Offer dated December 13, 2007.

13. Tripartite agreement between CDSL, our Company and the Registrar to the Offer dated November 29, 2007.

14. Due diligence certificate dated March 31, 2011 to SEBI from Edelweiss, Citigroup and Morgan Stanley.

15. Letters dated September 9, 2011, December 19, 2011 and February 9, 2012 from SEBI.

16. IPO Grading report dated December 15, 2011 (together with a rating rationate dated January 6, 2012).

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the applicable laws.

DECLARATION OF THE SELLING SHAREHOLDERS

The undersigned Selling Shareholder hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder.

SIGNED BY THE SELLING SHAREHOLDER

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SIGNED ON BEHALF OF FINANCIAL TECHNOLOGIES (INDIA) LIMITED (BY THE AUTHORISED SIGNATORY)

The undersigned Selling Shareholder hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder.

SIGNED BY THE SELLING SHAREHOLDER

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SIGNED ON BEHALF OF STATE BANK OF INDIA (BY THE AUTHORISED SIGNATORY)

The undersigned Selling Shareholder hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder.

SIGNED BY THE SELLING SHAREHOLDER

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SIGNED ON BEHALF OF CORPORATION BANK (BY THE AUTHORISED SIGNATORY)

The undersigned Selling Shareholder hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder.

SIGNED BY THE SELLING SHAREHOLDER

____

SIGNED ON BEHALF OF GLG FINANCIALS FUND (BY THE AUTHORISED SIGNATORY)

The undersigned Selling Shareholder hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder.

SIGNED BY THE SELLING SHAREHOLDER

____

SIGNED ON BEHALF OF BANK OF BARODA (BY THE AUTHORISED SIGNATORY)

The undersigned Selling Shareholder hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder.

SIGNED BY THE SELLING SHAREHOLDER

____

SIGNED ON BEHALF OF ALEXANDRA MAURITIUS LIMITED (BY THE AUTHORISED SIGNATORY)

The undersigned Selling Shareholder hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder.

SIGNED BY THE SELLING SHAREHOLDER

____

SIGNED ON BEHALF OF ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED (BY THE AUTHORISED SIGNATORY)

DECLARATION

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules, regulations made or guidelines issued thereunder, as the case may be. We hereby certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

____
VENKAT CHARY (NON-EXECUTIVE CHAIRMAN)

____
JIGNESH P. SHAH (NON-EXECUTIVE VICE CHAIRMAN)

____
V. HARIHARAN (NON-EXECUTIVE DIRECTOR)

____
JOSEPH MASSEY (NON-EXECUTIVE DIRECTOR)

____
LAMBERTUS RUTTEN (MANAGING DIRECTOR)

____
P.G. KAKODKAR (NON-EXECUTIVE DIRECTOR)

____
PARAS AJMERA (NON-EXECUTIVE DIRECTOR)

____
C.M. MANIAR (INDEPENDENT DIRECTOR)

DECLARATION

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules, regulations made or guidelines issued thereunder, as the case may be. We hereby certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

____
SHVETAL S. VAKIL (INDEPENDENT DIRECTOR)

____
USHA SURESH (INDEPENDENT DIRECTOR – FMC NOMINEE)

____
R. M. PREMKUMAR (INDEPENDENT DIRECTOR – FMC NOMINEE)

____
K. T. CHACKO (INDEPENDENT DIRECTOR – FMC NOMINEE)

____
ASHIMA GOYAL (INDEPENDENT DIRECTOR – FMC NOMINEE)

____
P. SATISH (INDEPENDENT DIRECTOR – NABARD NOMINEE)

____
K. VENUGOPAL (NON-EXECUTIVE DIRECTOR – SBI NOMINEE)

SIGNED BY

____
MAHESH JOSHI (CHIEF FINANCIAL OFFICER)

Date: February 10, 2012
Place: Mumbai

CRISIL RESEARCH

CONFIDENTIAL

Ref.: Multi Commodity Exchange of India Ltd \ AD \ 15-12-11 \ 102

Dated: December 15, 2011

Mr. P. Ramanathan,
Sr. Vice President & Company Secretary
Multi Commodity Exchange of India Ltd.
Exchange Square, Suren Road
Andheri (East), Mumbai - 400 093,

Dear Mr. Ramanathan,

Ref: CRISIL IPO Grading for the Initial Public Offer of Equity Shares of Multi Commodity Exchange of India Limited

We refer to your request for an IPO Grading and the Grading Agreement for the captioned equity issue.

CRISIL has, after due consideration, assigned a **CRISIL IPO Grade "5/5"** (pronounced "five on five") to the captioned equity issue. This grade indicates that the fundamentals of the Issue are strong relative to other listed equity securities in India.

The assigned grade is a one time assessment valid for a period of 60 Calendar days only from the date of this letter. In the event of your company not opening the captioned issue within a period of 60 days from the above date, or in the event of any change in the size/structure of the issue, a fresh letter of revalidation from CRISIL shall be necessary.

As per our Grading Agreement, CRISIL shall disseminate the assigned Grade through its publications and other media once the company agrees to the same.

Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,

Majithia

Chetan Majithia

Head, Equities -- CRISIL Research

Anant Damani

Analyst, Equities – CRISIL Research

A CRISIL IPO Grading is a one-time assessment and reflects CRISIL's current opinion on the fundamentals of the graded equity issue in relation to other listed equity securities in India. A CRISIL IPO Grading is neither an audit of the issuer by CRISIL nor is it a credit rating. Every CRISIL IPO Grading is based on the information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the grading is based. A CRISIL IPO Grading is not a recommendation to buy / sell or hold the graded instrument; it does not comment on the issue price, future market price or suitability for a particular investor.

CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of CRISIL IPO Gradings. For information on any IPO grading assigned by CRISIL, please contact 'Client Servicing' at +91-22-33423561, or via e-mail: clientservicing@crisil.com.

For more information on CRISIL IPO Gradings, please visit http://www.crisil.com/ipo-gradings

Multi Commodity Exchange of India Limited

CRISIL IPO Grade 5/5 (Strong)

January 06, 2012

Grading summary

CRISIL Research has reaffirmed CRISIL IPO grade of '5/5' (pronounced 'five on five') to the proposed initial public offer (IPO) of Multi Commodity Exchange of India Ltd (MCX). (CRISIL Research has undertaken a fresh grading exercise for MCX as the grade assigned to the company on June 15, 2011 had expired.) This grade indicates that the fundamentals of the IPO are **strong** relative to other listed equity securities in India. However, this grade is not an opinion on whether the issue price is appropriate in relation to the issue fundamentals. The grade is not a recommendation to buy, sell or hold the graded instrument, its future market price or suitability for a particular investor.

The grade reflects MCX's leadership position in the Indian commodity futures market over the past four years, with a share of ~82% of the overall traded turnover in FY11. It is a leader in the trading of bullion, crude oil, copper and natural gas (which accounted for ~85% of MCX's traded turnover in FY11). Historically, metals and energy commodities have witnessed lower regulatory intervention. With a strong technology-backed trading platform and infrastructure (supplied by its promoter Financial Technologies India Ltd), MCX is able to provide high liquidity and low impact cost of transactions – key criteria for the success of any exchange.

The grade takes into account the benefits that MCX will derive from amendments to the Forward Contracts (Regulation) Act, which will allow trading of options and indices, and participation by institutional investors, leading to increase in the traded turnover on commodity exchanges. The grade also draws support from MCX's strong management team and its ability to attract talented and experienced personnel.

While new commodity exchanges have been set up over the past couple of years, they have not been able to nudge MCX from the top. However, given the high profitability and cash-churning nature of the business, we expect competition to intensify in the future.

MCX's operating income has grown at a CAGR of 32% over FY09-11, with healthy profitability. EBITDA margin and adjusted PAT margin were 60.4% and 39.4%, respectively, in FY11.

Contacts:

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Head, CRISIL Equities
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Email: chetanmajithia@crisil.com

CRISIL Limited
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Fax: +91-22 -3342 3501

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Client servicing
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Email: clientservicing@crisil.com

About the company

Mumbai-based Multi Commodity Exchange of India Ltd (MCX) is an electronic commodity futures exchange. Set up by Financial Technologies (India) Ltd (FTIL) as a demutualised exchange, it has permanent recognition from the Government of India to facilitate online trading, clearing and settlement operations for commodity futures across the country.

- ***Promoter background***

  MCX is promoted by FTIL with a pre-IPO stake of 31.18%. FTIL is a software developer and a technical service provider of automated electronic solutions in the areas of finance and technology like foreign exchange, commodities and equities. It is listed on the BSE, the NSE, the Ahmedabad Stock Exchange and the Madras Stock Exchange. The promoters of FTIL are Mr Jignesh Shah (18.1%), Mr Dewang Neralla (0.13%) and La-Fin Financial Services Private Ltd (26.5%).

Issue details

No. of shares being offered	6.4 mn (100% offer for sale)
As% of post issue equity	12.6%
Amount proposed to be raised	Not applicable
Objects of the issue	To achieve benefits of listing in order to enhance brand name and provide liquidity to existing shareholders
Price band	Not available at the time of grading
Lead managers	Edelweiss Financial Services Ltd., Citigroup Global Markets India Pvt. Ltd., Morgan Stanley India Pvt. Ltd.

Source: DRHP

Detailed Grading Rationale

A. Business Prospects

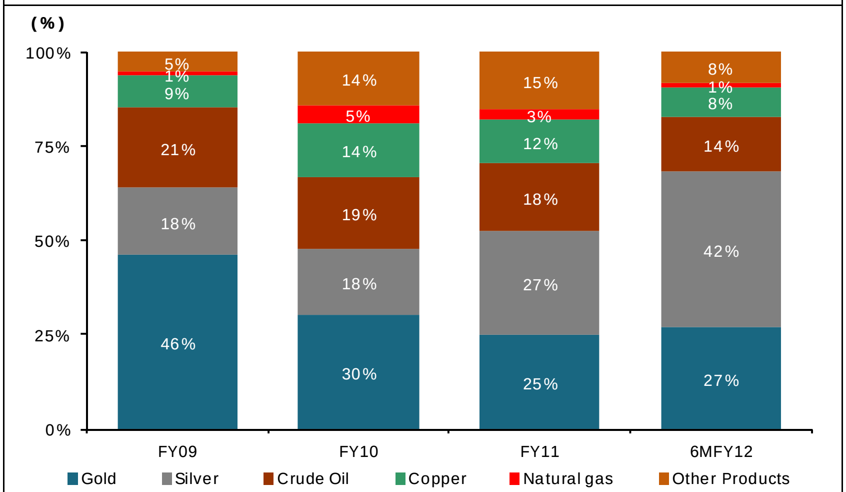
- ### *Strong competitive position with 82% market share*

MCX's share in the overall commodities market has skyrocketed from 29% in FY04 to 82% as of FY11 primarily due to its focus on metals and energy commodities benchmarked to international prices. Globally, MCX is the largest silver exchange; the second largest gold, copper and natural gas exchange; and the third largest crude oil exchange in terms of the number of contracts traded in each of these commodities (in CY10 and six months ended June 30, 2011). It is also the sixth largest commodity exchange globally in CY10 and fifth largest during the six months ended June 30, 2011, in terms of the total number of contracts traded (Source: Futures Industry Association, websites of relevant exchanges). MCX has rooted itself firmly by continuously offering new and innovative products. Strong technology infrastructure and trading platform have helped MCX garner larger volumes, leading to high liquidity and lower impact cost – key criteria for the success of any exchange. Rapid growth in operations has been supported by best practices in risk management and strong technological backing provided by its promoter, FTIL.

- ### *Product portfolio geared towards commodities linked to global price movements*

Around 85% of MCX's turnover is through metal and energy commodities which are benchmarked to international prices. Not only do these commodities have higher volumes but they also have higher turnover, which generates higher transaction fees compared to agricultural commodities. Historically, metal and energy commodities have also witnessed lower regulatory intervention.

Figure 1: Commodity-wise contribution based on traded value



Source: DRHP

- ### *FTIL's expertise in exchange technology solutions bodes well for MCX*

Technology infrastructure is the foundation of any exchange business and a key factor for its development. MCX's electronic platform is supported by its infrastructure and advanced technology, allowing faster trade execution, anonymity, price transparency, prompt and reliable order routing, trade reporting, market data dissemination and market surveillance.

MCX's electronic trading platform is supplied by its promoter, FTIL, which is one of the leading technology companies in the development and deployment of exchange-related software and technology in India. Commodity exchanges operate in an environment which requires constant technology upgrade or variations and support due to changes required by the regulatory regime and market forces. FTIL's technical expertise and experience enables MCX to obtain speedy and efficient technology solutions, such as customisation and development of software for new products and services. However, FTIL's role as the promoter and MCX's significant dependence on FTIL for its technological requirement could potentially lead to a conflict of interest in the future. Post IPO, FTIL may own 26% of MCX's post-offer equity share capital. This is in compliance with the Forward Markets Commission's Equity Structure Guideline, which requires the original promoters to hold at least 15% and a maximum of 26% equity stake in a national commodity exchange.

- *Regulatory evolution will play an important role in industry growth*

The commodity futures market in India is in a nascent stage as trading in commodities was allowed only in 2002-03. Strong economic growth, introduction of new products and retail participation have driven commodities futures in India over the past decade.

CRISIL Research expects the growth pace to continue due to various changes expected on the regulatory front. The bill to amend the Forwards Contracts (Regulation) Act (FCRA) is yet to be passed by the government. Once the regulatory changes are in place, trading in options and indices are expected to drive the volumes on the exchange in line with the global trend. In the global commodities markets, options volumes constitute a significant proportion of traded volumes in commodity derivatives. The government has also been considering allowing foreign as well as domestic institutions and banks to participate in commodity futures trading. The entry of such participants, when permitted, is likely to be a positive for commodity exchanges like MCX, as it would help improve market liquidity. Currently, traders and brokers are the main participants on the exchange.

- *Competition likely to increase as new exchanges wrestle for share of volumes*

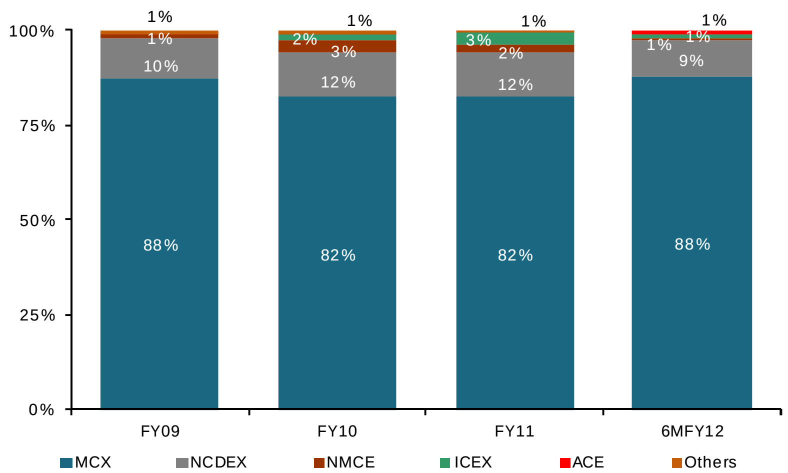
The buoyancy in the commodities market has evinced interest of new players. From three national commodity exchanges in 2008, at present there are five. Large financial institutions and corporate houses have entered this space, either as strategic or financial investors.

Table 1: Key competitors

Exchange	Year established	Key promoters / shareholders
National Commodities & Derivatives Exchange (NCDEX)	2003	Jaypee Capital, Shree Renuka Sugars, National Stock Exchange, Life Insurance Corporation, NABARD
National Multi Commodity Exchange of India (NMCE)	2003	Reliance Capital, Bajaj Investments & Holdings, Neptune Overseas, Punjab National Bank, Central Warehousing Corporation, Gujarat Agro Industries Corp., Gujarat State Agricultural Marketing Board, National Institute of Agricultural Marketing
Indian Commodity Exchange (ICEX)	2009	Reliance Exchangenext, MMTC, Indiabulls Financial Services, Indian Potash, KRIBHCO, IDFC
ACE Derivatives & Commodities Exchange	2010	Kotak Mahindra Group, Haryana State Cooperative Supply & Marketing Federation, Bank of Baroda, Corporation Bank, Union Bank

Source: Industry

Figure 2: Market share based on turnover



Source: DRHP

The commodity futures industry is characterised by significant specialisation. Exchanges generally develop a niche position in product categories based on the performance of the trade and product specification, and support mechanism provided by the exchange. Although there is no regulatory provision which prohibits trading of similar products on different exchanges, the market generally converges to a particular exchange with respect to a specific product, based on the product-related support and services that the exchange provides to market participants. That exchange would then further develop and enhance the product, thus creating a stronger foothold and carving out a niche for itself in that particular product. The liquidity provided by trading in a particular contract on an exchange, as described above, typically creates a competitive advantage for that exchange as compared to other exchanges considering offering competing contracts and also acts as an entry barrier for other exchanges.

While the number of national commodity exchanges has increased in recent years, the new exchanges have not been able to make a significant impact on MCX's market position. However, on account of high profitability and the cash-churning nature of the business, we expect competition to intensify in the future.

B. Financial Performance

MCX's sources of operating income are a) transaction fees, b) membership admission fees, c) annual subscription fees and d) terminal charges. Transaction fee is the largest contributor to operating revenue and its share has grown from 88% in FY09 to 96% in 6MFY12. MCX's operating revenue has grown at a CAGR of 32% over FY09-11, with much of the growth coming through transaction fees, which grew at a CAGR of 37% over the same period.

EBITDA margin improved to 60.4% in FY11 from 53.6% in FY09, on account of operating leverage – most of MCX's operating costs are fixed and semi-fixed in nature. Likewise, adjusted PAT margin also improved from 35.5% in FY09 to 39.4% in FY11. Return on equity decreased marginally from 24.4% in FY09 to 22.8% in FY11. We expect MCX to be able to sustain its profitability going forward due to slower growth in operating costs vs. revenue growth.

Table 2: Financial performance snapshot

Particulars	Unit	FY09	FY10	FY11	6M FY12
Operating income	Rs mn	2,124	2,874	3,689	2,728
Other income	Rs mn	806	694	787	441
EBITDA	Rs mn	1,570	2,110	2,704	2,226
EBITDA margin	%	53.6	59.1	60.4	70.3
Exceptional income[1]	Rs mn	728	1,369	-	-
PAT	Rs mn	1,588	2,208	1,763	1,490
Adjusted PAT	Rs mn	1,041	1,273	1,763	1,490
Adjusted PAT margin	%	35.5%	35.7%	39.4%	47.0%
Networth	Rs mn	4,937	6,968	8,488	10,050
No. of diluted equity shares[2]	Mn	51	51	51	51
Book value per share	Rs	97	137	166	197
Key ratios					
Return on equity[3]	%	24.4%	21.4%	22.8%	32.2
Return on capital employed[4]	%	32.2%	31.3%	31.8%	45.1

Note: Financials have been reclassified as per CRISIL standards

Source: DRHP

Table 3: Operating Revenue break-down

Category	FY09		FY10		FY11		6M FY12	
	Rs mn	%	Rs mn	%	Rs mn	%	Rs mn	%
Transaction fees	1,861	88	2,641	92	3,495	95	2,617	96
Membership admission fees	105	5	70	2	35	1	34	1
Annual subscription fees	136	6	136	5	135	4	67	2
Terminal charges	22	1	27	1	24	1	9	0
Total	**2,124**	**100**	**2,874**	**100**	**3,689**	**100**	**2,728**	**100**

Source: DRHP

MCX holds long-term investments in other operational exchanges – MCX Stock Exchange Ltd (5% equity stake as permissible under MIMPS Regulations) and Dubai Gold and Commodities Exchange Ltd (5% equity stake). MCX also holds 634 mn warrants in MCX-SX, which carry no voting or dividend rights. The company may generate more cash as and when it decides to liquidate these investments.

[1] Exceptional income includes profit on sale of long-term investments – Rs 1,369 mn in FY10 and Rs 728 mn in FY09 pertaining to stake sale in MCX Stock Exchange and Dubai Gold and Commodities Exchange. Adjusted PAT, return on equity and return on capital employed have been computed after excluding the impact of these transactions.

[2] Adjusted for 4:1 bonus shares issuance and stock consolidation in March 2011. Shares outstanding prior to the offer are 50,998,369

[3] Return on equity for 6MFY12 is annualised

[4] Return on capital employed for 6MFY12 is annualised

C. Management Capabilities and Corporate Governance

MCX's management is led by Mr Lambertus Rutten, who was joint managing director since June 2006, and took over as MD and CEO from Mr Joseph Massey in July 2009. Mr Massey, however, continues to be on the board of directors of MCX. Mr Rutten has previously worked as chief of finance, risk management and information in the commodities branch of the United Nations Conference on Trade and Development (UNCTAD), Geneva. Other key management personnel include Mr Parveen Singhal (deputy MD / non board), Mr Dipak Shah (director, market operations / non board), Mr Sumesh Parasrampuria (director, business development / non board), Mr P. Ramanathan (chief compliance officer and company secretary) and Mr Mahesh Joshi (chief financial officer). On the basis of our interactions, we believe that the senior management is highly competent in areas of product innovation, business development, regulatory understanding and risk management.

The board of directors consists of one executive director, six non executive directors and eight non executive independent directors. There are four nominee directors representing the Forward Markets Commission, one nominee director representing FTIL, one nominee director representing NABARD and one nominee director representing the State Bank of India. *(See Annexure II: Profile of the Directors)*

The board of directors includes Mr Venkat Chary, who is an independent director and also the chairman. He has previously worked in various capacities with Central and state governments including as the chairman of Forward Markets Commission (Government of India) as well as a member of the Maharashtra Electricity Regulatory Commission. Mr Jignesh Shah (part of the promoter group) is the non executive vice chairman. Some of the other independent directors are Mr C.M. Maniar (senior partner, Crawford Bayley & Co., Solicitors and Advocates), Mr Shvetal Vakil (executive director, Setco Automotive Ltd), Mr R.M. Premkumar (former chief secretary, Government of Maharashtra) and Mr K.T. Chacko (former Director General of Foreign Trade, Government of India).

The board members are highly experienced and come from varied backgrounds such as regulatory, entrepreneurship, legal, government administration and education. The independent directors have a good understanding of the business and their oversight responsibilities.

Annexure I

Business Profile

Having started operations in November 2003, MCX currently holds a market share of 82% of the Indian commodity futures market, and has more than 2,100 registered members operating through over 247,000 terminals (including CTCL), across India. MCX is also the fifth largest commodity futures exchange globally, in terms of the number of contracts traded during the six months ended June 30, 2011 (Source: Futures Industry Association, websites of relevant exchanges).

MCX offers more than 40 commodities across various classes such as bullion, ferrous and non-ferrous metals, and a number of agri-commodities on its platform. Globally, MCX is the largest silver exchange; the second largest gold, copper and natural gas exchange; and the third largest crude oil exchange in terms of the number of contracts traded in each of these commodities (in CY10).

Table 4: MCX: Turnover in major commodities (FY11)

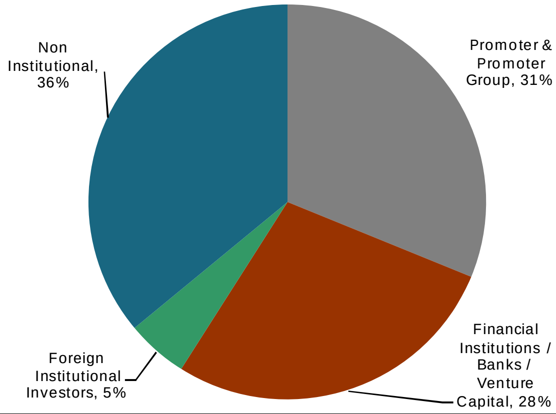
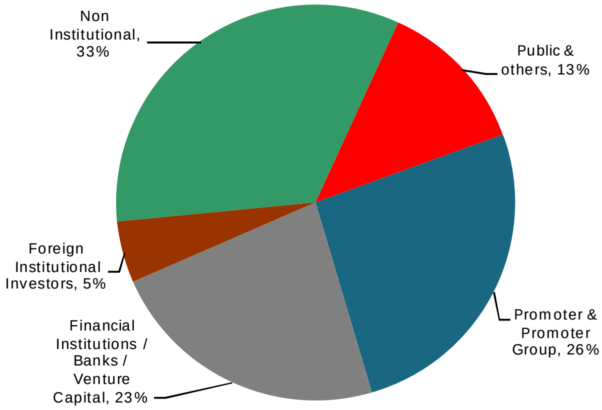
Commodity	Turnover (Rs bn)	Share in turnover
Gold	24,692	25%
Silver	27,000	27%
Crude oil	17,643	18%
Copper	11,451	12%
Natural gas	2,849	3%
Other products	14,780	15%
Total	**98,415**	**100%**

Source: DRHP

MCX has also pioneered several innovations in the Indian commodities market:

- MCX was the first national commodity futures exchange in India to offer futures trading in steel, crude oil and several other commodities, including carbon credits.
- In June 2005, it launched MCXCOMDEX, India's first real time composite commodity futures index, which provides MCX's members with valuable information regarding market movements in the key commodities, as determined by physical market size in India
- In December 2009, MCX launched the exchange of futures for physicals facility for the first time in India.
- In May 2010 and June 2010, the exchange launched zinc mini futures and lead mini futures contracts, which offer trading in these metals in smaller lot sizes.
- In January 2011, the exchange launched iron ore future contracts.
- In February 2011, it launched silver micro and aluminium mini contracts, which offer trading in these metals in smaller lot sizes.
- In April 2011, MCX launched gold petal contract which offers trading in gold in smaller lot sizes
- In October 2011, it launched the cotton (29 mm) futures contract
- MCX is also the first exchange in India to initiate evening sessions to synchronise with the trading hours of global exchanges in London, New York and other major international markets to meet the needs of the physical markets that operate in such time zones.

Shareholding pattern

Figure 3: Pre-issue shareholding pattern	Figure 4: Post-issue shareholding pattern
	
Source: DRHP	**Source: DRHP**

Annexure II: Profile of the Directors

Name	Designation	Age	Qualification	Experience & previous employments	Directorships in other entities*
Venkat Chary	Chairman, Non Executive Independent Director	71	IAS (Retired), M.Com, BA LLB and PG Diploma in Economics and Finance	• Chairman, Forward Markets Commission • Member, Maharashtra Electricity Regulatory Commission	• Indian Energy Exchange • Global Board of Trade, Mauritius
Jignesh P. Shah	Vice Chairman, Non Executive Non Independent Director	44	B.E., Mumbai University	• Bombay Stock Exchange	• Financial Technologies • MCX Stock Exchange • Indian Energy Exchange • National Spot Exchange • Singapore Mercantile Exchange • Bahrain Financial Exchange
V. Hariharan	Non Executive, Non Independent Director	52	Masters in Agricultural Statistics	• National Stock Exchange • NSE IT Ltd. • Premier Automobiles • Bombay Stock Exchange	• Singapore Mercantile Exchange • National Spot Exchange • MCX Stock Exchange • Indian Energy Exchange
Joseph Massey	Non Executive, Non Independent Director	50	Masters in Economics, Masters degree in Financial Management	• MD and CEO, Multi Commodity Exchange of India Ltd. • Managing Director, Interconnected Stock Exchange of India	• National Spot Exchange • Dubai Gold and Commodities Exchange • Indian Energy Exchange • Bahrain Financial Exchange
Lambertus Rutten	Managing Director and Chief Executive Officer	48	Masters in International Economic Management from Tilburg University, Netherlands	• Chief of Finance, Risk Management and Information in the Commodities Branch of the United Nations Conference on Trade and Development (UNCTAD), Geneva	• Bourse Africa • Swiss Futures & Options Association
P. G. Kakodkar	Non Executive, Non Independent Director	74	Master's Degree in Economics	• State Bank of Hyderabad • State Bank of Mysore • NABARD	• Financial Technologies • Goa Carbon • Uttam Galva Steels • Apian Finance & Investment • Fomento Resorts & Hotels
Paras Ajmera	Non Executive, Non Independent Director (FTIL Nominee)	39	B.E. Computer Science	• Director, Operations and Human Resources (Non Board), Financial Technologies	• Grameen Pragati Foundation • Takshashila Academia of Economic Research • National Bulk Handling Corporation • FT Group Investment (Mauritius) • SME Exchange of India
C. M. Maniar	Non Executive Independent Director	76	Masters in Economics & Political Science, BA LLB	• Senior Partner, Crawford Bayley & Co., Solicitors and Advocates	• Godfrey Phillips India • Gujarat Ambuja Exports • Hindalco Industries • Pioneer Investcorp • Varun Shipping • Vadilal Industries • Utkal Alumina International • Financial Technologies
Shvetal S. Vakil	Non Executive, Independent Director	60	B.Com	• Executive Director, Setco Automotive • Hindustan Lever • Bunge India	• Setco Automotive • TransStadia Technologies • TransStadia Hospitality

Name	Designation	Age	Qualification	Experience & previous employments	Directorships in other entities*
Usha Suresh	Non Executive, Independent Director (FMC Nominee)	49	PG in Economics	• Indian Economic Service • Planning Commission • Ministries of Rural Development Industry, Textile and Commerce	None
R.M. Premkumar	Non Executive, Independent Director (FMC Nominee)	66	B.A. Arts and Law, M.A.	• Chief Secretary, Govt. of Maharashtra • Principal Secretary Revenue, Govt. of Maharashtra • Development Commissioner, SEEPZ • Additional Secretary, DAE • Chairman, Food Corporation of India • MD, Maharashtra State Co-operative Bank	• Afcons Infrastructure • Fine Line Circuits • Pipavav Defence & Offshore Engineering • Rama Cylinders • SICOM • NTPC-BHEL Power Project • Lanco-Vidarbha Thermal Power
K. T. Chacko	Non Executive, Independent Director (FMC Nominee)	65	Masters in Public Administration from Harvard University, USA	• Director General of Foreign Trade, Govt. of India • Dept. of Commerce, Govt. of India	• National Centre for Trade Information
Ashima Goyal	Non Executive, Independent Director, (FMC Nominee)	56	PG and Doctorate in Economics	• Professor, Indira Gandhi Institute of Development Research	• MCX Stock Exchange • MCX-SX Clearing Corporation • Cynergy Creators
Srinivasan Balan	Non Executive, Independent Director (NABARD Nominee)	60	MBA, CFA, CAIIB	• Head, Finance, NABARD • Reserve Bank of India	None
B. Sriram	Non Executive, Non Independent Director (State Bank of India Nominee)	53	PG in Physics, Diploma in Management	• Chief General Manager, State Bank of India	• Gujarat State Energy Generation • HDFC Venture Capital

*Partial list of Directorships

Source: Company, DRHP