

INVESTOR OVERVIEW

OCTOBER 2016

Certain statements in this presentation contain forward-looking information about Multi Commodity Exchange of India Limited and its subsidiary companies, including their business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or concern future financial performance (including revenues, earnings or growth rates), possible future plans and action of the company. Forward-looking statements are based on current expectations and understanding about future events.

They are inherently subject to, risks, uncertainties, and assumptions, etc. about the Company, economic factors and the industry in general. The Company's actual performance and events could materially differ from those expressed or implied by forward-looking statements made by the company due to, but not limited to, important factors such as general economic, political and market factors in India and internationally, competition, technological change, and changes in the government regulations.

The material mentioned in this presentation is general background information about the Company's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete, is subject to change without notice and its accuracy is not guaranteed. This presentation (including any information contained herein and any information, whether or not in writing, supplied in connection herewith) is strictly confidential.

KEY MILESTONES

2002 -11

- Incorporated in April 2002
- Commenced operations in Nov 2003
- Forged strategic alliances with NYMEX (Part of CME Group)

2012

- Became India's first listed exchange on March 9, 2012
- Recorded the highest daily turnover of Rs. 119941.42 crore (single side)
- Was the 3rd largest commodity futures exchanges globally in terms of the number of contracts traded in CY 2012*
- Market share of about 87% in FY2012-13

2013

- Commodity Transaction Tax (CTT) imposed effective July 1, 2013
- As a result of crisis at NSEL (a subsidiary of FTIL), (1) MCX's erstwhile anchor investor, Financial Technologies (FTIL) - declared not 'Fit and Proper'; (2) FMC asked PwC to conduct a forensic audit of MCX's operations since inception - revealed pertinent facts
- MCX underwent significant changes during 2013-14; changes in top management and Board
- Market share fell to about 77%

2014

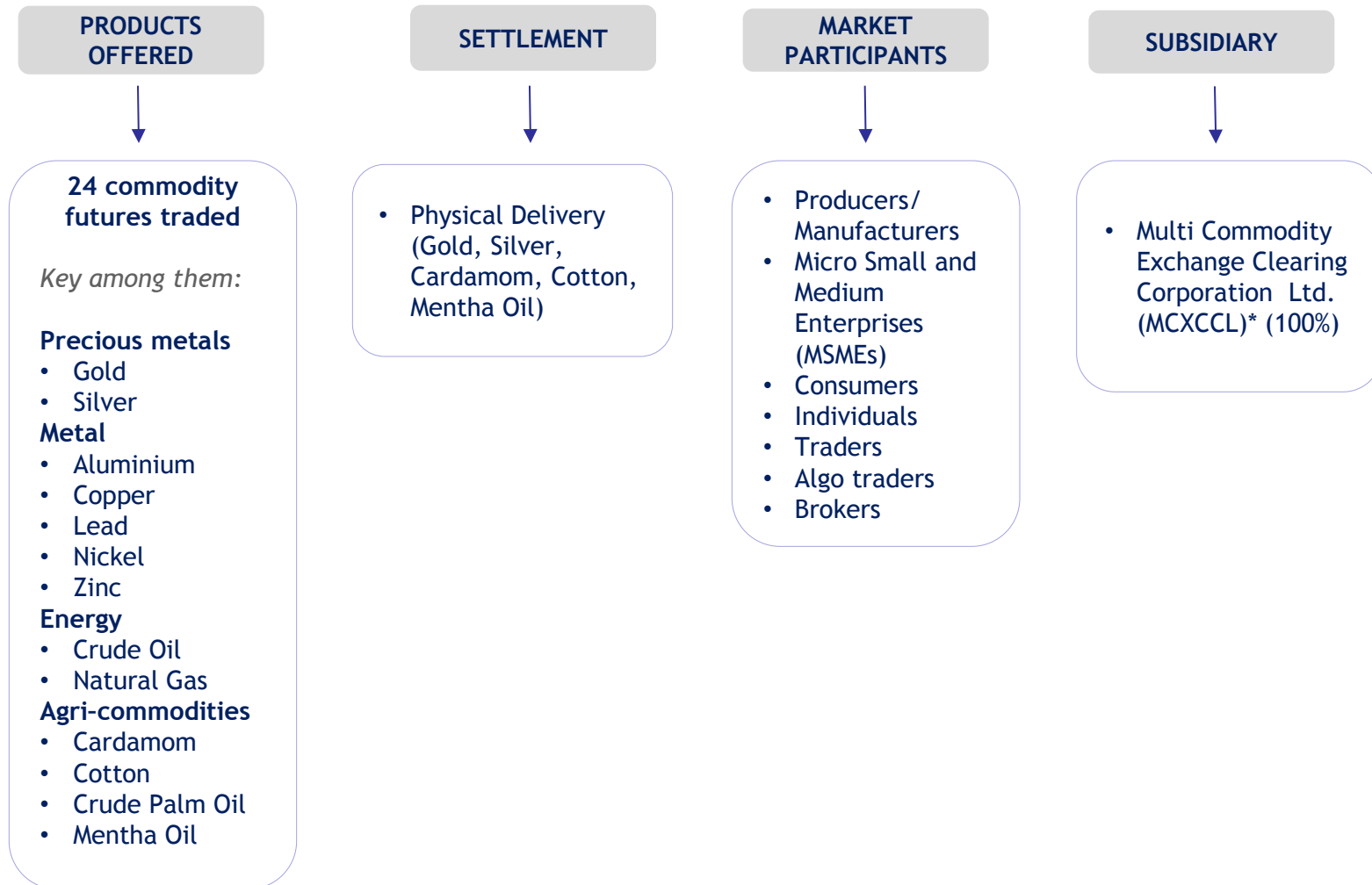
- Mr. P K Singhal assigned the role of taking care of the day to day operations of the Exchange
- Technology agreement with FTIL re-negotiated - more equitable terms w.e.f. July 01, 2014
- FTIL sold its entire stake (26%) held in MCX between July-September 2014
- Kotak Mahindra Bank Ltd. acquired 15% equity stake on September 29, 2014
- Mr. P. K. Singhal elevated as Joint Managing Director on October 14, 2014
- Regains Market share of about 86% in December 2014

2015

- Market share of 87.48% in Q4 FY 2015
- Launch of futures trading in Gold Global & Crude mini
- Signed MoU with
 - CME Group
 - GIFT City
- SEBI and FMC merged

2016

- Appointed Mr. Mrugank M. Paranjape as MD & CEO
- Redesignated Mr. P K Singhal as President & Whole Time Director



* - MCXCCL has not commenced operations,. Its current paid-up capital is Rs. 6 crore. Application for Clearing Corporation made to SEBI, it will get operational in FY 2017-18

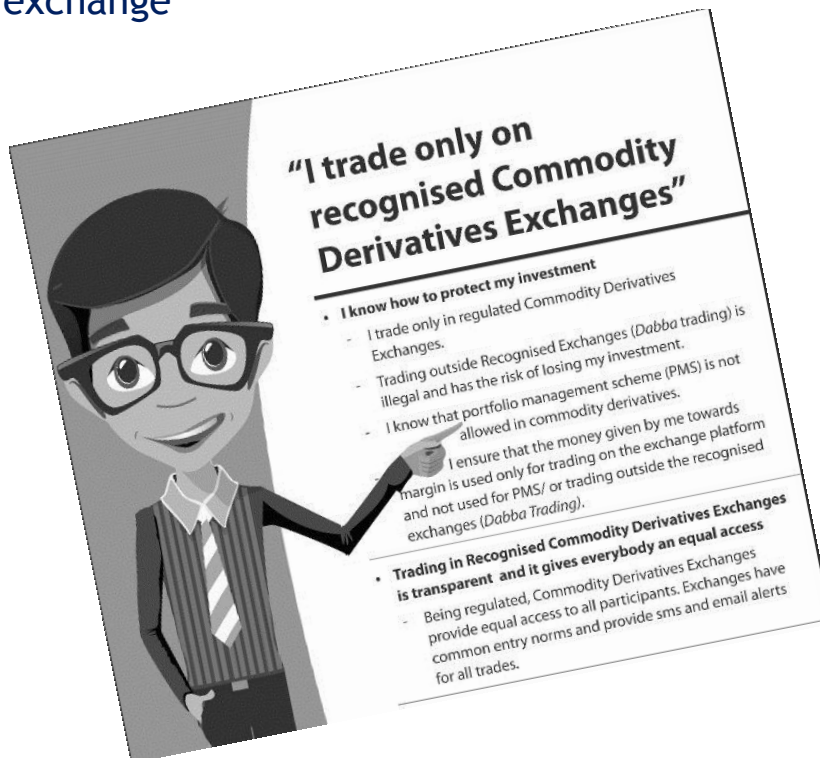
^ - SME is under process of winding up. The requisite filing by the appointed Liquidator with Registrar of the Companies and the Official Liquidator w.r.t. the final general meeting is being done by the Liquidator and the final order of dissolution is awaited.

1. The growth of the overall economy in India is expected to drive the underlying demand for commodities.
2. The increase in physical market volumes may increase the hedging requirements of industry players, which influences derivative trading volumes.
3. Commodity derivative volumes are generally a multiple of the underlying physical commodity volumes. In India, the volumes traded on commodity futures exchanges is very low as compared to the size of the physical market for the commodity. Thus, the potential for commodity derivatives is huge.

COMMODITY	FUTURES MULTIPLIER YEAR 2015 (GLOBAL BENCHMARK EXCHANGES)	FUTURES MULTIPLIER DURING YEAR 2015 (MCX)
Gold	62.0	4.9
Silver	154.0	33.7
Copper	103.0	11.7
CPO	9.0	1.0
Cotton	43.0	0.4

Futures Multiplier refers to number of times future market's volume is in comparison with the physical market size.

- Products like options, indices, weather derivatives and intangibles may be launched in future
- Institutions like FIIs, Banks, Mutual Funds may be allowed to enter commodity futures market going forward
- Creates an opportunity for commodity exchanges to enter other segments such as currency & equities moving towards 'universal exchange'



- SEBI's powers to raid, search, impose penal fines and take criminal action will ensure better market integrity
- 'Dabba' Trade (bucket shops) which according to an independent research agency was 3 times of the regulated commodity markets in 2013 (pre CTT) could get curbed

SEBI - NEW INITIATIVES

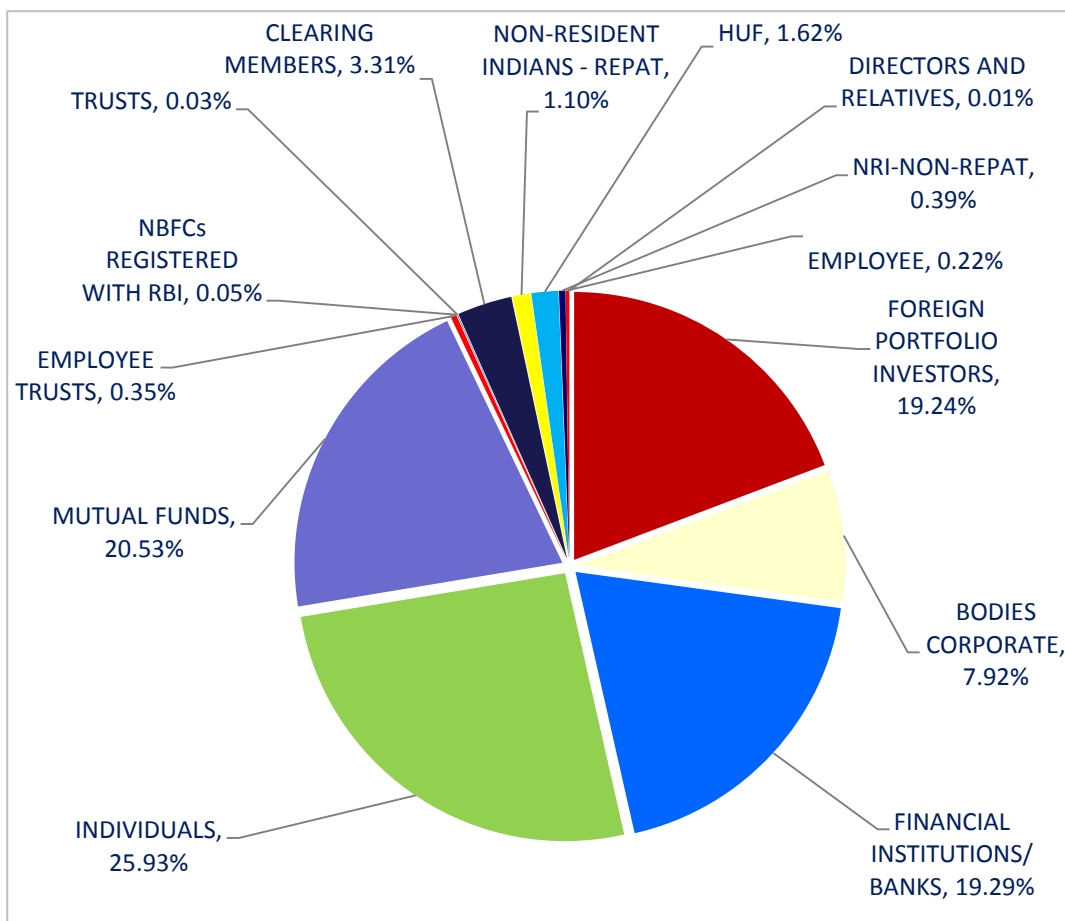
- SEBI decided that Commodity Derivatives Exchanges shall be permitted to introduce trading in 'options', with prior approval of SEBI, for which detailed guidelines will be issued in due course
- Exchanges not to modify anything in a continuously trading contract without prior information and a Sebi approval
- Doubled the maximum requirement of bullion as a collateral for a clearing member up to 30 percent from existing 15 per cent
- To allow additional position limits to genuine hedgers for trading in commodity derivatives
- Made Unique Client Code (UCC) and Permanent Account Number (PAN) mandatory for all persons transacting on commodity exchanges
- SEBI has allowed trading in commodity derivatives at stock exchanges operating in International Financial Services Centre (IFSC)

SEBI - INVESTMENT CRITERIA

- Ensure that all shareholders are 'fit and proper'
- Shareholders who acquire above two per cent would have to seek approval from SEBI within 15 days of acquisition by submitting the application to the Exchange
- Shareholders who intend to acquire beyond five per cent would have to take a prior approval from SEBI
- Exchange to ensure 51 per cent of shareholding is held by the public at all times
- Aggregate Shareholding of trading members, their associates or agents should not exceed 49% paid-up capital at any point of time
- Foreign entity (like Exchanges, Depository, Banking & Insurance) can acquire or hold upto 15 per cent of the paid-up equity share capital

SHAREHOLDING HIGHLIGHTS

SHAREHOLDING STRUCTURE AS ON SEPTEMBER 30, 2016



MAJOR SHAREHOLDERS SHAREHOLDING MORE THAN 1%

Sr. No.	Name of Shareholders	%
1	Kotak Mahindra Bank Limited	15.00
2	Blackstone GPV Capital Partners Mauritius VI FII Ltd.	4.79
3	Axis Mutual Fund*	4.59
4	Jhunjhunwala Rakesh Radheshyam	3.94
5	Reliance Mutual Fund*	3.34
6	IDFC Premier Equity Fund	3.33
7	L&T Mutual Fund*	1.91
8	Baron Emerging Markets Fund	1.81
9	Tata Mutual Fund*	1.74
10	ICICI Prudential Mutual Fund*	1.69
11	JP Morgan Indian Investment Company (Mauritius) Ltd.	1.10
12	Goldman Sachs India Fund Limited	1.06
13	HDFC Bank Ltd.	1.03
14	Vanaja Sunder Iyer	1.03

* Holding under different schemes

- Conducting awareness, capacity building and stakeholder programmes

Category	H1 FY2016-2017	FY2015-2016	FY2014-2015	FY2013-2014
Hedgers/ Industrial Associations / Farmers	104	148	116	106
Retail Investors	99	228	249	84
Total	203	376	365	190

Note: Hedging positions in Indian commodity derivative exchanges is difficult to derive because there is no mandatory disclosure of commodity hedging & non hedging positions unlike the International commodity exchanges

- Educational programmes for broad basing the commodity market ecosystem
- MoU with Indira Gandhi Institute for Development Research (IGIDR) for research initiatives in commodity derivatives market.
- Releasing “Dos and Don’ts” advertisements to enlighten market participants on the merits of trading on regulated commodity futures exchanges
- Releasing “Benefits of Hedging in India” advertisements across various reputed publications to educate the physical markets on the importance of using MCX for commodity price risk management
- Engaging with print and electronic media, coupled with evidence-based policy advocacy to create awareness and sensitise policymakers on various issues affecting the market
- Empowering market participants with relevant information through newsletters., viz. MCX CommNews (monthly), Commodity Connect (monthly), and Commodity Update (weekly)
- MoU with Symbiosis Centre for Management and Human Resource Development (Pune), Pondicherry University (Puducherry), Gnanam University (Tamil Nadu), and Lal Bahadur Shastri Institute of Management (Delhi) during Q2 FY’17 to promote skill development, knowledge, research and financial literacy in the commodity space through various educational initiatives

☐ Dealing with delivery-based commodities & quality issues; limited to agri commodities

☐ Agri-commodities being a more sensitive category pose greater challenges

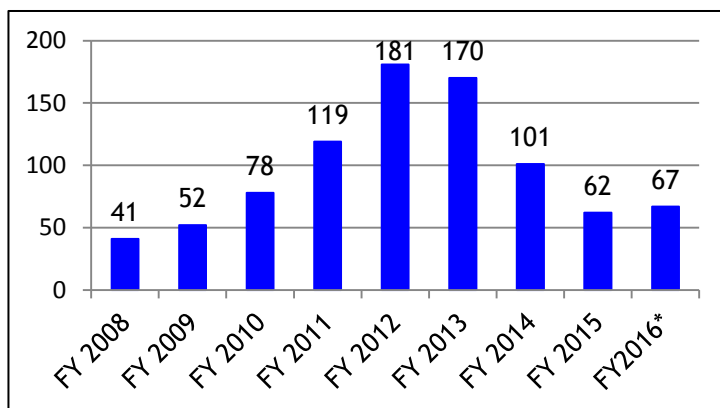
☐ Registration and transaction costs: SEBI charges a registration and turnover fee to commodity brokers to bring transaction fees charged by commodity brokers at par with equity markets, this would lead to an increase in cost of trading

☐ Current inequality of infrastructure in equity and commodity exchanges like Colocation, which is not allowed on commodity exchanges, pose greater challenges in algorithmic trading

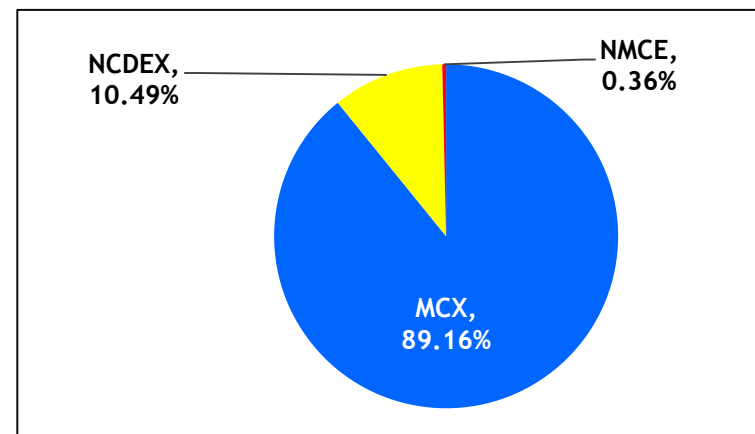
☐ There are changes proposed by regulators in warehousing norms & algo trading

☐ Indian commodity derivatives market is still in a nascent stage. The regulator is trying to streamline certain rules and regulations, till such time, ensuring consistency is a challenge

GROWTH OF INDIAN COMMODITIES MARKET IN TERMS OF VALUE OF FUTURES TRADED (INR TN)



MARKET SHARE (H1 FY 16-17)



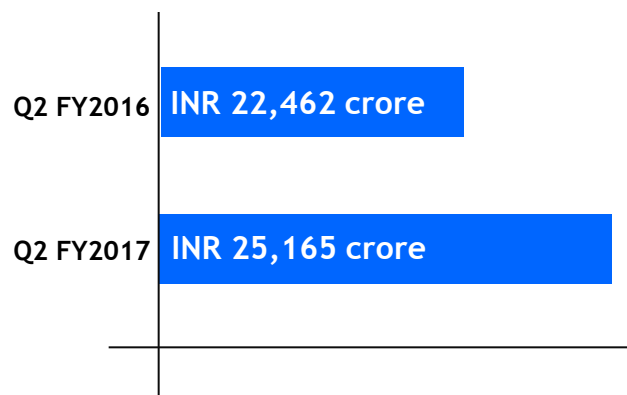
MCX: MARKET SHARE IN KEY SEGMENTS FOR H1 FY16-17

Commodity Segment	MCX Market Share in Indian Commodity Futures space	Proportion of MCX's turnover
Bullion	99.97%	39.64%
Energy	100.00%	32.50%
Base Metals	100.00%	25.55%
Agri- Commodities	15.90%	2.30%

GLOBAL RANKING OF MCX's COMMODITY FUTURES CONTRACTS AMONG F&O CONTRACTS IN CY 2015**

7 th	MCX Crude Oil Futures
8 th	MCX Crude Oil Mini Futures
13 th	MCX Silver Micro Futures
19 th	MCX Natural Gas Futures
20 th	MCX Copper Futures

AVERAGE DAILY TURNOVER (ADT)



EXTENSIVE REACH

713# Members

49,242 Authorised Persons

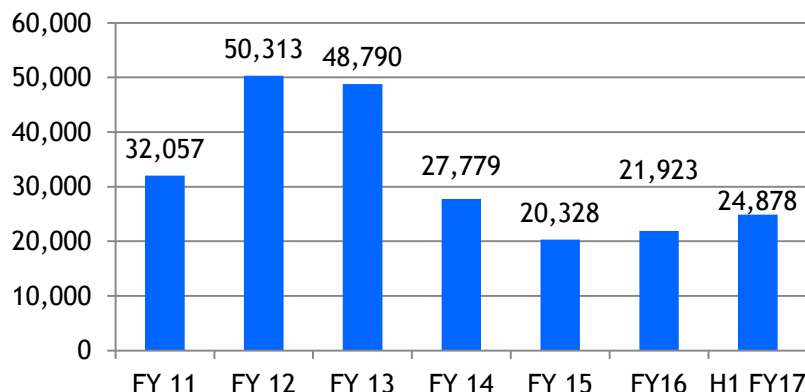
5,81,649 terminals (including CTCL)

1475 cities/towns across India

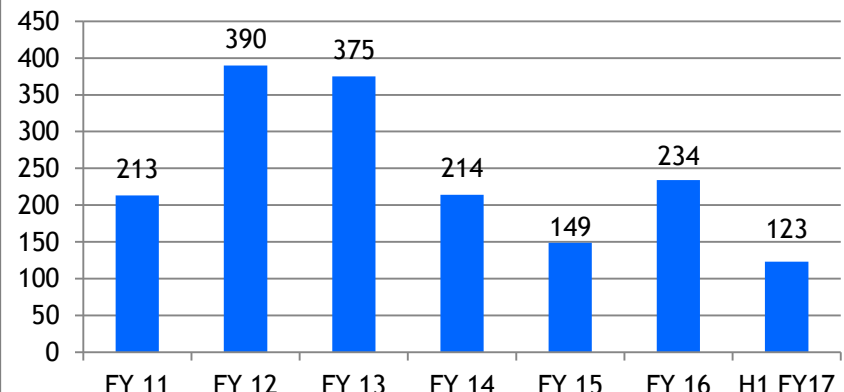
**No. of Active UCCs - 26,58,752

Application Submitted to SEBI; ** Unique Client Code

AVERAGE DAILY VOLUME - single side (INR Crore)



VOLUME OF CONTRACTS (Lots in MN)



- ☐ Well designed platform that ensures security, reliability flexibility and functionality
- ☐ Scalable architecture
 - Capable of handling increase in volumes with the introduction of new instruments like options and indices and participation of Financial Institutions as an when regulator approves
- ☐ Handling capacity of 40 million transactions (orders and trades put together) in a day
- ☐ Accessible through trader work stations or computer-to-computer link using multiple media of connectivity including:
 - Nationwide Private Network with Point of Presence in 9 major cities
 - VSATs, MPLS and Point to Point leased lines and internet
- ☐ Real-time data replication to Disaster Recovery (DR) site at New Delhi and Near Online Site at Mumbai
 - Upgraded DR site to conduct smooth trading from the site if warranted
 - Synchronous data replication to Near Online Site to achieve zero data loss

❖ Margins

- VaR based Initial Margin, Extreme Loss Margins, Special Margins, Additional Margins, Tender and Deliver Margins
- Alerts to members at 60%, 75%, 90% of margin utilisation, square off at 100%
- Risk Reduction Mode (order level margining) at 90% of margin utilisation

❖ MTM Loss Monitoring

- MTM limits at 75% of collaterals
- Real time alerts at 60%, 75% and 90% of MTM Limits
- Square off mode at 100% of loss limits

❖ Clearing and Collateral Management

- 15 Banks for Clearing
- Cash, FDRs, BGs, Securities and Warehouse Receipts accepted towards collaterals, also allowed bullion as collateral
- 48 Approved Banks for Collateral submission towards FDRs and BGs
- 2 Custodians for Securities management
- *Above measures implemented to de-risk concentration*

❖ Settlement Guarantee Fund

- Assessed based on SEBI guidelines for commodity markets
- Assessed at Rs. 166.71 crores based on historic highest requirement
- SGF corpus as on September 30, 2016 was Rs. 249.99 crore ((Provisional) cash component of Rs. 186.13 crore and non cash component of Rs. 63.86 crore)
- IPF corpus of about Rs. 138.18 crore (Provisional) as on September 30, 2016
- Currently, clearing and settlement of all trades is done in-house, application for Clearing Corporation has been made to SEBI, MCXCCL will get operational in FY 2017-18

EXPERIENCED BOARD OF DIRECTORS

**SATYANANDA MISHRA, IAS (Retd.), Chairman,
Public Interest Director**

- Former Information Commissioner, Govt of India,
- Handled various assignments in different capacities, Govt of India viz. Secretary, Department of Personnel & Training, Establishment Officer, Principal Secretary, Public Works Department, etc.

ARUN NANDA, Public Interest Director

- Presently, Chairman of Mahindra Holidays & Resorts (I) Ltd. and Mahindra Lifespace developers Ltd and Director of Holiday Club Resorts Oy, Finland.
- Over 40 years of extensive experience with Mahindra Group.

PRITHVI HALDEA, Public Interest Director

- Founder Chairman of Praxis Consulting & Information Services Pvt. Ltd. (Prime Database)
- Worked at senior positions in the corporate sector in the areas of exports, consulting and advertising

AMIT GOELA, Shareholder Director

- Presently, Partner at Rare Enterprises
- Former AVP (Private Equity) Reliance Capital and CEO at Alchemy Share & Stock Brokers,
- Over 21 years of experience in Capital Market

PARVEEN KUMAR SINGHAL, President & Whole Time Director

- Former Division chief- SEBI
- Former Director- FMC
- Former Executive Director & CEO - Delhi Stock Exchange Ltd
- Over 41 years of executive cadre experience

SAURABH CHANDRA, Public Interest Director

- Former Secretary to the Ministry of Petroleum and Gas, Gol, & in the Department of Industrial Policy and Promotion (DIPP),
- Has over 37 years of experience in various assignments, with State & Central Govt; in the Ministry of Finance, Ministry of Commerce and Industry, Ministry of Chemicals & Fertilizers, in the Govt. of India

DR. M. GOVINDA RAO, Public Interest Director

- Presently, Emeritus Professor at National Institute of Public Finance and policy (NIPFP)
- Former Member - 14th Finance Commission & Director of NIPFP
- Former Member - Economic Advisory Council to the Prime Minister

MS. MADHU VADERA JAYAKUMAR, Shareholder Director

- An independent investor in Financial Markets
- Founder CEO of E-Commodities Limited,
- Over 13 years of experience in Financial Services Industry

HEMANG RAJA, Shareholder Director

- Former, Country Advisor - India to Asia Growth Capital Advisors (AGCA) for managing India Investments
- Former MD and Head India at Ritchie Capital
- Over 33 year of experience in Financial Industry

S. K. MITRA, Public Interest Director

- Currently on the Board of several reputed companies as an Independent Director & Advisor,
- Previously associated with Aditya Birla Group, GIC Mutual Fund, Standard Chartered & AMEX in various capacities,
- Over 39 years of extensive management experience in Financial Sector

MS. PRAVIN TRIPATHI, Public Interest Director

- Former Deputy Comptroller and Auditor General of India
- Former Member of Competition Appellate Tribunal (COMPAT)

MS. PADMA RAGHUNATHAN, Shareholder Director

- Presently, working as Chief General Manager in Finance Department at NABARD
- Has closely worked with community-centred institutions engaged in upliftment of livelihood prospects of rural poor

MRUGANK M. PARANJPE, MD and CEO

- Over 25 years of diverse experience in Corporate Banking, Securities Markets, Technology, Asset Management, and Custodial Services
- Former MD Deutsche Bank A.G.,
- Held senior management roles in Prudential ICICI AMC and Citibank

AJAY PURI, *Company Secretary, Head IR & CSR*

- Ex-President - Atherstone Capital,
- Over 36 years of experience in the field of Company Law, Legal, Secretarial & taxation functions with organisations such as Bharti Telecom, Weston Elektronik, Crowne Plaza Toronto Centre

DR. RAGHAVENDRA PRASAD, *Senior VP, Legal*

- Ex-Deputy Legal Officer - SEBI, ex-Legal Officer - RBI,
- Over 24 years of experience in the field of legal practice

SHIVANSHU MEHTA, *VP - PKMT (Head Bullion)*

- Previously worked with Hindalco
- Over 16 years of experience across Commodity spectrum

DR. V. SHUNMUGAM, *Senior Economist*

- Former, Chief Business Officer - Nomura Research Institute
- Over 23 years of experience in the field of market research, policy advocacy and finance.

RAHI RACHARLA, *Senior VP, Technology*

- Previously worked with JP Morgan, Bangalore
- Over 25 years of experience in the field of technology

DEEPAK MEHTA, *VP - PKMT (Head - Energy & Agri)*

- Previously worked with MGL (A Joint venture of GAIL & British Gas)
- Over 16 years of experience in Physical and Financial Markets of Oil & Gas Sector

NAVEEN MATHUR, *Head - Business Development*

- Ex-Associate Director : Commodities and Currencies Business, Equity Research and Advisory, Angel Broking Pvt. Limited
- Over 22 years of rich experience in Financial Services

RAJENDRA GOGATE, *VP, HR & Administration*

- Ex-General Manager(Facilities) - TATA Teleservices & Dy. GM - Essar
- Over 33 years of experience in the field of General Administration, Facilities Management.

NARENDRA KUMAR AHLAWAT, *Senior VP, Market Operations*

- Ex-CTO - MCX-SX
- Over 28 years of experience in market operations; Development & Technology

CHITTARANJAN REGE, *VP - PKMT (Head - Base Metals)*

- Over 18 years of experience in financial and commodity risk management
- Previously with E&Y, Hindalco & Mecklai Financial

MS. V N SAROJA, *Head - Training & Education*

- Former, Chief Executive Officer of Indian Agribusiness Systems Private Limited
- Former, Co-founder of Naukri.com, India's largest website on careers

GLOBAL ALLIANCES*



INDIAN ALLIANCES

- Facilitate sharing of information across regional global exchanges
- Allow penetration of new markets and increase market presence
- Enhance product offerings

Tie-ups with Indian trade bodies and associations, corporate, educational institutions and R&D centres enable it to engage the stakeholders, improve trade practices, create awareness and facilitate overall improvement of the Indian commodity futures market

FINANCIAL OVERVIEW

FINANCIAL HIGHLIGHTS - Q2 FY16-17

INCOME STATEMENT (STANDALONE)

	INR CR, except for per share amounts		
	Q2 FY2017 (Unaudited)	Q2 FY2016 (Unaudited)	Change Q/Q
Operating Income	65.25	61.25	7%
Other Income	30.18	28.81	5%
Total Income	95.43	90.05	6%
Less : Operating & Other Expenses	40.08	43.21	-7%
EBITDA	55.35	46.84	18%
EBITDA Margin	58%	52%	-
Less: Interest & Depreciation	4.28	6.52	-34%
Profit before Exceptional items & Tax	51.07	40.32	27%
Less : Exceptional items	-	-	-
Profit/(Loss) after Exceptional items & before tax	51.07	40.32	27%
Less : Provision for tax	13.42	9.73	38%
Profit after tax	37.65	30.59	23%
PAT Margin	39%	34%	-
Less : Other Comprehensive income (net of tax)	6.74	0.04	15544%
Total Comprehensive income	30.91	30.55	1%
Basic EPS* (INR) (Quarterly figures not Annualised)	7.41	6.02	23%

FINANCIAL HIGHLIGHTS - H1 FY16-17

INCOME STATEMENT (STANDALONE)

	INR CR, except for per share amounts		
	H1 FY2017 (Unaudited)	H1 FY2016 (Unaudited)	Change Y/Y
Operating Income	128.23	117.46	9%
Other Income	60.99	48.77	25%
Total Income	189.22	166.23	14%
Less : Operating & Other Expenses	80.87	80.57	0%
EBITDA	108.35	85.66	26%
EBITDA Margin	57%	52%	-
Less: Interest & Depreciation	9.27	12.89	-28%
Profit before Exceptional items & Tax	99.08	72.77	36%
Less : Exceptional items	-	-	-
Profit/(Loss) after Exceptional items & before tax	99.08	72.77	36%
Less : Provision for tax	28.62	20.95	37%
Profit after tax	70.46	51.82	36%
PAT Margin	37%	31%	-
Less : Other Comprehensive income (net of tax)	6.79	38.93	-83%
Total Comprehensive income	63.66	12.89	394%
Basic EPS* (INR) (Half yearly figures not Annualised)	13.86	10.20	36%

BALANCE SHEET (STANDALONE)

In Rs. Crore

PARTICULARS	AS ON Sept 30, 16
EQUITY AND LIABILITIES	
Shareholders' Funds	
Share Capital	51.00
Reserves & Surplus	1,263.47
SGF	186.44
Non Current liabilities	22.86
Current Liabilities	375.01
TOTAL	1,898.78

- Net worth of Rs. 1,500.91 crore (including SGF) as on September 30, 2016
- Debt Free balance Sheet

In Rs. Crore

PARTICULARS	AS ON Sept 30, 16
ASSETS	
Fixed Assets	133.10
Non-current investments & Loans and Advances	343.87
Total Current Assets	1,421.81
- Cash & Cash equivalents included in Total Current Assets	496.29
	1,898.78

NON-AGRI COMMODITIES

AVERAGE DAILY TURNOVER

Up to Rs. 350 crore

On incremental
turnover above
Rs. 350 core

TRANSACTION FEE RATES (PER RS. 1 LAKH OF TURNOVER)

Rs. 2.60

Rs. 1.75

Financial year	Average value realisation per lakh Rupee traded
FY 2015-16	1.80
Q2 - FY 2016-17	1.77

AGRI COMMODITIES

TRANSACTION FEE RATES (PER RS. 1 LAKH OF TURNOVER)

Rs. 1.75

LATEST FINANCIAL RESULTS

UNAUDITED FINANCIAL RESULTS FOR QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2016

Multi Commodity Exchange of India Limited

Exchange Square, Suren Road, Andheri (East), Mumbai 400 093, India. | CIN: L51909MH2002PLC135594 | Email id: info@mcxindia.com | www.mcxindia.com

Trade and Hedge on India's no.1 Commodity Futures Exchange



Extract of Statement of Standalone Unaudited Financial Results for the Quarter and Half year Ended 30 September, 2016

PARTICULARS	Three months ended					(₹ in lakhs)
	30 September, 2016 Unaudited	30 June, 2016 Unaudited	30 September, 2015 Unaudited	Half year ended 30 September, 2016 Unaudited	Half year ended 30 September, 2015 Unaudited	
1 Total Income from Operations	6,524.65	6,298.47	6,124.62	12,823.12	11,745.92	
2 Net Profit for the period (before Tax, Exceptional and / or Extraordinary items)	5,106.65	4,801.57	4,032.67	9,908.22	7,277.20	
3 Net Profit for the period before tax (after Exceptional and / or Extraordinary items)	5,106.65	4,801.57	4,032.67	9,908.22	7,277.20	
4 Net Profit for the period after tax (after Exceptional and / or Extraordinary items)	3,764.85	3,280.90	3,059.31	7,045.75	5,182.15	
5 Total Comprehensive Income for the period [Comprising profit for the period (after tax) and Other Comprehensive Income (after tax)]	3,090.59	3,275.73	3,055.00	6,366.32	1,289.12	
6 Equity Share Capital (of ₹10/- per share)	5,099.84	5,099.84	5,099.84	5,099.84	5,099.84	
7 Earnings Per Share (of ₹10/- each) (not annualised)						
Basic :	7.41	6.46	6.02	13.86	10.20	
Diluted:	7.40	6.46	6.01	13.86	10.19	

Notes:

- The above is an extract of the detailed format of Quarterly and Half year ended Financial Results filed with BSE under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on BSE's website at www.bseindia.com and on the Company's website at www.mcxindia.com.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on October 25, 2016
- The Company has adopted Indian accounting standard (Ind AS) from April 01, 2016. The figures for Quarter and Half year ended September 30, 2015 are also Ind AS compliant.

For Multi Commodity Exchange of India Limited
sd/-
Mrugank Paranjape
Managing Director & CEO

THANK YOU

INVESTOR RELATIONS CONTACT:

Mr. Ajay Puri, *Company Secretary, Chief Compliance Officer & Head IR*
+91 22 6731 8888, Ajay.puri@mcxindia.com