MCX receives regulator's approval for commencement of operations of Multi Commodity Exchange Clearing Corporation Ltd. (MCXCCL)

Mumbai, August 01, 2018: Multi Commodity Exchange of India Ltd. (MCX) today received the recognition from SEBI for its Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)-the first clearing corporation in the commodity derivatives market. MCXCCL, a wholly owned subsidiary of MCX, will soon commence its operations and will undertake collateral management, risk management functions and clearing & settlement of trades executed on the Exchange.

MCXCCL has state of art risk management system which uses SPAN based value at risk margining model apart from various other online and offline risk management tools. It will be the central counterparty for all trades executed on MCX's trading platform. It will collect margin from the members, effect pay-in and pay-out and oversee delivery and settlement process, and will also facilitate deliveries in various commodities across multiple locations in India. Moreover, MCXCCL will provide Electronic Commodity Accounting and Receipts Tracking System through web based portal 'Commodity Receipts Information Systems' (COMRIS). Further, it will provide a settlement guarantee for all trades executed on MCX via Settlement Guarantee Fund (SGF).

Speaking on the development **Mr Mrugank Paranjape, MD & CEO, MCX** said, "Setting up of MCXCCL is a vital step towards elevating MCX's risk management practices, as also mandated by the regulator. At MCX, we firmly believe in stronger risk management norms for the safety of our members. We continue to enhance efficiencies in our systems and processes so that our members and their clients can trade with confidence. As we significantly step-up our operational standards to adhere to regulatory requirements, we are also aware that advancement in risk management is the need of the hour."

Mr Narendra Ahlawat, MD & CEO, MCXCCL said, "We thank the regulator for granting the permission to start the operations at MCXCCL. It will provide secure, capital-efficient counterparty risk management and post-trade services to the Exchange's members and their clients, and has put in place a robust risk management framework to mitigate the risk it will undertake in its capacity as a clearing corporation."

About MCX:

Having commenced operations on November 10, 2003, Multi Commodity Exchange of India Limited (MCX) is India's first listed, national-level, electronic, commodity futures exchange with permanent recognition from the Government of India. It is also the first exchange to introduce commodity options in India. In the financial year, 2017-18, the market share of MCX was 89.58%. MCX offers the benefits of fair price discovery and price risk management to the Indian commodity market ecosystem. Various commodities across segments are traded on the Exchange platform. These include bullion, energy, metals and agri-commodities. The exchange has forged strategic alliances with various international exchanges, as well as Indian and international trade associations. For more information about MCX and its products visit www.mcxindia.com.

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