MCX
METAL & ENERGY
Trade with Trust



COTTON

PERFORMANCE REVIEW 2024-2025

FOREWORD TO THE COTTON PERFORMANCE REVIEW

The Cotton Performance Report (PR) is the outcome of the SEBI circular SEBI/HO/CDMRD/DNPMP/CIR/P/2020/21 dated February 04, 2020, directing all recognized Stock Exchanges offering commodity derivatives segment to create a 'Performance review of the commodity derivatives contracts. The PR, based on SEBI directive, has to be uploaded on the Exchange website by June 30, 2025, after consultation with the respective Product Advisory Committee (PAC).

Following the above directive, the Agri - Product Management Team (PMT) at the Exchange has created PRs for all the listed Agri products. These have since been prepared in consultation with the respective Commodity/Commodity Complex PACs.

The Cotton Performance Report highlights the important aspects of trade like the domestic and international supply, import and export statistics, etc. There is also extensive information on the volume, turnover, open interest, deliveries of Cotton on the Exchange, along with the price correlations with spot markets, the international market and hedging efficiency to help the market participants get an empirical understanding of the performance of the Cotton contract on the Exchange.

Acknowledgement

We have been ably guided by the MCX Cotton Complex PAC members in improving the content of the report and we are extremely thankful to them. We hope to keep improving the report going forward.

1. Background

a. Brief about the commodity such as sample picture, lifecycle and various varieties/grade of the commodity found in India.

Brief about Cotton

Cotton is a natural fiber and one of the most important textile fibers. Cotton is classified based on staple, grade and character of each bale-staple refers to the fibre length; grade ranges from coarse to premium and is a function of colour, brightness, and purity; and character refers to the fibre's strength and uniformity.

India is the only country which grows all four species of cotton G. Arboreum & G. Herbaceum (Asian cotton), G. Barbadense (Egyptian cotton) and G. Hirsutum (American Upland cotton). G. Hirsutum represents 90% of the hybrid cotton production in India and all the current Bt cotton hybrids are G. Hirsutuim.

It is a heavily traded agricultural commodity with a number of countries involved in exporting or importing cotton. India is the second largest cotton producing and 4th largest exporting country in the world.

Sample picture



Life cycle

Cotton is grown in India in three zones with different sowing and harvesting periods during the season from October-September.

North Zone	Central Zone	South Zone
Punjab, Haryana, Rajasthan	Gujarat, Maharashtra, Madhya Pradesh	Telangana, Andhra Pradesh, Tamil Nadu, Karnataka
Sowing		
April, May	June, July	July, August, September
Harvesting		
September, October	October, November, December	December, January, February
Staple length		
Medium & Short Staple	Medium & Long Staple	Long & Extra Long Staple

Cotton in India is generally not stored for more than a year. This stored Cotton can be prone to deterioration in grade, colour and quality. The extent of deterioration depends on the condition and period of storage, the variety of Cotton, the atmospheric conditions like humidity, rainfall, etc., prevailing during this period, ventilation and incidence of pests in the godowns, etc.

Various varieties/grades

Major Varieties: Bengal Desi, Assam Camilla, Jaydhar, V797/G-Cot-13/ G-Cot-21, AK/Y-1(MH-MP),MCU-7,SVPR-2(TN), J-34 (RJ), Hybrid, LRA-5166/KC-2(TN), F-414/H-777, H-6/H-7/MECH/RCH-2, Shanker-6/10, Bunny/Brahma, MCU-5/Surabhi, DCH-31 and Suvin.

Grade: Color grade determined the degree of reflectance (Rd) and yellowness (+b) as established by official standards and measured by the High-Volume Instruments (HVI).

Cotton is classified in five different groups of staple lengths of fibers. India has the advantage of growing all species of cotton i.e. from short staple 20 mm & below, medium staple (20.5 to 24.5 mm), medium long (25.0 to 27.0 mm), long (27.5 to 32.0 mm) and extra-long staple cottons (32.5 mm and above).

b. Commodity fundamentals and balance sheet as per the following format (to be prepared based on publicly available information on best effort basis):

Cotton Fundamentals

- Demand and supply scenario and inventory levels
- Weather, pests, diseases and other risk factors associated with agricultural crops.
- Government policies on Imports- Exports, Kapas MSP, Tariff & Non-tariff barriers including taxes and quota etc.
- Cotton yarn prices in different markets across the country
- Economic conditions e.g. recession, inflation
- Trend in other fast-growing economies
- Geo-political factors – Global and India
- Forex rates

Global Cotton Balance Sheet

Global Scenario	2023-24		2024-25	
	Lakh MT	Lakh Bales of 170 Kg each)	Lakh MT	Lakh Bales of 170 Kg each)
Opening Stocks	165.26	972.12	160.55	944.41
Production	245.99	1447.00	263.36	1549.18
Consumption	249.95	1470.29	253.75	1492.65
Closing Stocks	160.55	944.41	170.55	1003.24

Source – USDA

Domestic Cotton Balance Sheet

Indian Scenario	2023-24 (P)*		2024-25 (P)*	
	Lakh MT	Lakh Bales of 170 Kg each)	Lakh MT	Lakh Bales of 170 Kg each)
Opening Stocks	10.40	61.16	8.01	47.10
Production	55.29	325.22	50.02	294.25
Imports	2.58	15.20	4.25	25.00
Total Supply	68.27	401.58	62.28	366.35
Exports	4.82	28.36	3.06	18.00
Domestic Consumption	55.44	326.12	54.06	318
Closing Stocks	8.01	47.10	5.16	30.35

Source- As estimated by Committee on Cotton Production and Consumption (COCPC), P-Provisional.

Top 10 Major Producing Countries	2023-24		2024-25	
	Lakh MT	Lakh Bales of 170 Kg each)	Lakh MT	Lakh Bales of 170 Kg each)
China	59.55	350.29	69.13	406.65
India	55.30	325.29	54.43	320.18
Brazil	31.72	186.59	37.01	217.71
USA	26.27	154.53	31.38	184.59
Australia	10.89	64.06	11.76	69.18
Pakistan	15.24	89.65	10.89	64.06
Turkey	6.97	41.00	8.71	51.24
Uzbekistan	6.31	37.12	6.53	38.41
Argentina	3.48	20.47	3.27	19.24

Source – USDA

Top 10 Major Consuming Countries	2023-24		2024-25	
	Lakh MT	Lakh Bales of 170 Kg each)	Lakh MT	Lakh Bales of 170 Kg each)
China	84.70	498.24	81.65	480.29
India	55.52	326.59	55.52	326.59
Pakistan	21.12	124.24	22.43	131.94
Bangladesh	16.87	99.24	18.07	106.29
Vietnam	14.37	84.53	16.11	94.76
Turkey	14.37	84.53	15.24	89.65
Brazil	6.89	40.53	7.18	42.24
Uzbekistan	6.31	37.12	6.75	39.71
Indonesia	4.03	23.71	4.14	24.35
USA	3.92	23.06	3.70	21.76

Source – USDA

Top 10 Major Exporting Countries	2023-24		2024-25	
	Lakh MT	Lakh Bales of 170 Kg each)	Lakh MT	Lakh Bales of 170 Kg each)
Brazil	26.80	157.65	28.09	166.47
USA	25.58	150.47	23.95	140.88
Australia	12.50	73.53	11.76	69.18
India	5.03	29.59	3.05	17.94
Turkey	3.02	17.76	2.18	12.82
Benin	2.29	13.47	2.61	15.35
Mali	2.56	15.06	2.29	13.47

Source – USDA

Top 10 Major Importing Countries	2023-24		2024-25	
	Lakh MT	Lakh Bales of 170 Kg each)	Lakh MT	Lakh Bales of 170 Kg each)
Bangladesh	16.49	97.00	17.85	105.00
Vietnam	14.34	84.35	16.11	94.76
China	32.61	191.82	14.81	87.12
Pakistan	6.97	41.00	11.97	70.41
Turkey	7.76	45.65	9.14	53.76
India	1.93	11.35	5.66	33.29
Indonesia	4.02	23.65	4.35	25.59
Malaysia	1.58	9.29	1.58	9.29

Source – USDA

Top 10 Major Producing States in India	2023-24 (P)*		2024-25 (P)*	
	Lakh MT	Lakh Bales of 170 Kg each)	Lakh MT	Lakh Bales of 170 Kg each)
Maharashtra	13.68	80.45	15.15	89.09
Gujarat	15.40	90.57	12.13	71.34
Telangana	8.64	50.80	8.48	49.86
Rajasthan	4.46	26.22	3.14	18.45
Karnataka	3.50	20.59	3.26	19.15
Madhya Pradesh	3.06	18.01	2.61	15.35
Haryana	2.57	15.09	2.11	12.44
Andhra Pradesh	1.25	7.37	1.49	8.77
Odisha	1.20	7.05	0.88	5.17
Punjab	1.07	6.29	0.46	2.72
Others	0.47	2.78	0.32	1.91
All India	**55.29**	**325.22**	**50.02**	**294.25**

Source- As estimated by Committee on Cotton Production and Consumption (COCPC), P-Provisional.

c. Major changes in the policies governing trade in the spot markets of the commodity.

Government of India has increased the MSP of Kharif Crops for Marketing Season 2025-26, to ensure remunerative prices to the growers for their produce. Cotton MSP has increased to Rs 7710, up by 8.27% per quintal for medium staple (length 24.50 to 25.50 mm and Micronaire value of 4.3 to 5.1) and Rs 8110, up by 7.83% per quintal for long staple cotton (length 29.50 to 30.50 mm and Micronaire value of 3.50 to 4.30) as compared to price for medium staple at Rs 7121 per quintal and Rs 7521 per quintal for long staple during the marketing year 2024-25. Source: PIB press release, dated 28th May 2025.

India's cotton area may see a dip in 2025-26 as farmers seen shifting to pulses, oilseeds

India's cotton acreage for market year (MY) 2025-26 is seen lower at 11.4 million hectares, a three per cent decrease from the previous year due to the unexpected shift of planted area to higher return crops such as pulses and oilseeds, according to the forecast by USDA India Post. Cotton acreage for MY 2024-25 was 11.8 m ha. However, production is seen at 25 million bales of 480 pounds each similar to the current year on higher yields. Based on the expectation of a normal monsoon season, the USDA Post has forecast an average yield of 477 kilograms per hectare for MY 2025/26, a three percent increase from the official MY 2024/25 estimate of 461 kilograms per hectare due to production in regions with adequate irrigation facilities and water availability.

The USDA Post said the planted area in Punjab is forecast to remain steady, with reductions in Haryana by five percent due to a shift to paddy rice planting. Yields in both states are expected to be marginally lower as farmers divert water to other crops. The area planted in Rajasthan is expected to be down two percent from the previous year, as farmers are seen shifting area to crops such as guar, maize and pulses (mung) due to anticipated higher prices. However, better pest management practices will likely support higher yields, it said. The acreage in Gujarat, the largest producing state, is expected down three percent from last year on shifts to pulses, groundnut, cumin and sesamum. Although current domestic farmgate prices for cotton have seen lower decline than other commodities, its cost of production remains significantly higher, it said. In addition to the shorter growing duration, strong government support, and export demand makes pulses and groundnut a preferred crop this season in Gujarat. In Maharashtra, area planted is expected to remain the same as last year as farmers were dissatisfied with the low soybean prices in the current season so they may consider diversifying to pigeon pea (tur) and maize due to better profitability. Madhya Pradesh is forecasted to go down five percent, as farmers shift to oilseeds and pulses. In the South, the strong government incentive schemes for ethanol production may prompt farmers to shift area from cotton to maize and rice in the southern states of Telangana, Karnataka, Andhra Pradesh, and Tamil Nadu, resulting in an estimated decrease of seven percent as compared to last year. Source: The Hindu Businessline, 31 March 2025. Link: https://www.thehindubusinessline.com/economy/agri-business/indias-cotton-area-may-see-a-dip-in-2025-26-as-farmers-seen-shifting-to-pulses-oilseeds/article69395480.ece

Cotton Procurement at MSP by CCI touches 1 Crore Bales

The progressive procurement of cotton by the State-run Cotton Corporation of India (CCI) at the minimum support price (MSP) has touched 1 crore bales (170 kg each for the 2024-25 marketing season. Telangana tops the list of States where the maximum quantity has been procured, followed by Maharashtra and Gujarat in the progressive procurement. "One crore bales have been purchased and it is still going on" said Lalit Kumar Gupta, chairman-cum-managing director, CCI. This year's cotton procurement by CCI is the second highest since 2019-20, when the State-run agency had procured over 1.05 crore bales. With the latest procurement figures touching one crore bales of 170 kg each, the CCI has purchased over a third of the cotton produced in the country during 2024-25 crop season. Source: The Hindu Businessline, 31 March 2025. Link: https://www.thehindubusinessline.com/economy/agri-business/cotton-procurement-at-msp-by-cci-touches-1-cr-bales/article69396350.ece

d. Geo-political issues in the commodity and its impact on Indian scenario.

There is no major geo-political issues and its impact on Indian scenario of Cotton.

2. Trading related parameters

a. Monthly and Annual traded volume (quantity in appropriate units)

Month	Traded Quantity (MT)
APR'24	9,608.65
MAY'24	20,019.45
JUN'24	7,680.10
JUL'24	12,876.96
AUG'24	1,442.15
SEP'24	4,437.39
OCT'24	1,437.88
NOV'24	3,383.51
DEC'24	1,416.55
JAN'25	4,701.93
FEB'25	571.74
MAR'25	2,875.77
2024-25	**70452.08**

b. Annual traded volume as proportion of total deliverable supply (quantity in appropriate units)

2024-25	Unit	Annual Traded Volume	Deliverable Supply
	MT	70452.08	62,10,950
	Lakh Bales of 170 Kg	4.14	365.35
Annual traded volume as proportion of deliverable supply	1.13%		

c. Annual trade volume as proportion of total annual production (quantity in appropriate units)

2024-25	Unit	Annual Traded Volume	Production
	MT	70452.08	50,19,250
	Lakh Bales of 170 Kg	4.14	295.25
Annual traded volume as proportion of production	1.40%		

d. Annual average Open interest as proportion of total production

2024-25	Unit	Annual Average OI	Production
	MT	3232.74	50,19,250
	Lakh Bales of 170 Kg	0.19	295.25
Annual daily average OI as proportion of production	0.06%		

e. Annual average Open interest as proportion of total deliverable supply

2024-25	Unit	Annual Average OI	Deliverable Supply
	MT	3232.74	62,10,950
	Lakh Bales of 170 Kg	0.19	365.35
Annual average OI as proportion of deliverable supply	0.05%		

f. Monthly and Annual value of trade (in Rs. Crores)

Month	Volume (Rs. Cr)
APR'24	161.04
MAY'24	322.32
JUN'24	123.78
JUL'24	203.61
AUG'24	23.16
SEP'24	72.61
OCT'24	22.98
NOV'24	52.68
DEC'24	21.77
JAN'25	71.18
FEB'25	8.65
MAR'25	43.13
2024-25	**1126.91**

g. Monthly and Annual quantity of delivery (in appropriate units)

Month	Delivery (MT)
MAY'24	1041.08
JUL'24	1058.15
SEP'24	1092.28
NOV'24	221.87
JAN'25	418.14
MAR'25	81.07
2024-25	**3912.59**

h. Monthly and Annual value of delivery (Rs. Crore)

Month	Delivery Settled Amount
MAY'24	16.54
JUL'24	16.35
SEP'24	17.67
NOV'24	3.39
JAN'25	6.15
MAR'25	1.21
2024-25	**61.31**

i. Monthly and Annual Average Open Interest (OI) (in appropriate units)

Month	Average OI (MT)
APR'24	7,446.59
MAY'24	7,290.53
JUN'24	6,241.36
JUL'24	5,403.71
AUG'24	2,957.24
SEP'24	2,072.20
OCT'24	652.42
NOV'24	1,111.99
DEC'24	1,403.75
JAN'25	1,674.04
FEB'25	1,099.39
MAR'25	1,060.38
2024-25	**3232.74**

j. Annual Average volume to open interest ratio

2024-25	Unit	Average Traded Volume	Average OI
	MT	272.02	3232.74
	Lakh Bales of 170 Kg	0.02	0.19
Annual average volume to open interest ratio	8.41%		

k. Total number of unique members and clients who have traded during the financial year

Commodity	Unique Members	Unique Client
COTTONCNDY	56	369

Note: No of UCCs (Including Prop) Traded during the period April 2024 to March 2025

l. Ratio of open interest by FPOs/farmers/Hedge/VCP positions to total open interest (Annual average as well as maximum daily value)

Average						Maximum Open Interest	
Daily Average Open Interest	Unit	FPOs/ Farmers/ VCPs/ Hedgers		% FPOs/ Farmers/ VCPs/ Hedgers		FPOs/ Farmers/ VCPs/ Hedgers	
		Long	Short	Long	Short	Long	Short
9047.95	Candy	1506.10	1805.71	20.55	31.87	5040.01	4319.02

Note: Details are provided based on daily disclosure on the Exchange website for the period April 2024 to March 2025 in line with SEBI circular no SEBI/HO/CDMRD/DNPMP/CIR/P/2019/08 Dated January 04, 2019. Based on the data provided by the members from time to time pertaining to Farmers/ FPOs, VCPs/ Hedgers.

m. Number of unique FPOs/farmers and VCPs/hedgers who traded in the financial year. Based on the classification provided by the members as on March 31, 2025 for clients traded during FY 2024-25.

Commodity	Farmers/FPOs	Value Chain Participants (VCPs)/Hedgers
COTTON	-	46

n. Algorithmic trading as percentage of total trading

2024-25	Algorithmic trading as % of total trading
COTTON	6.52

o. Delivery defaults

Number of instances	Quantity involved (MT)	Value involved (Rs. Crs)
0	0	0

3. Price movements

a. Comparison, correlation and ratio of standard deviation of Exchange futures price vis-à-vis international futures price (wherever relevant comparable are available).

Correlation between MCX Cotton futures prices and ICE futures prices in 2024-25	0.72
Standard Deviation of MCX Cotton futures prices in 2024-25	0.71
Standard Deviation of ICE Cotton futures prices in 2024-25	1.54
Ratio of Standard Deviation of MCX Cotton futures prices to ICE prices in 2024-25	0.46

b. **Comparison, correlation and ratio of standard deviation of Exchange futures price vis-à-vis international spot price (wherever relevant comparable are available) and domestic spot price (exchange polled price).**

The international spot prices (ICE) data for cotton could not be obtained.

c. Correlation between exchange futures & domestic spot prices along with ratio of standard deviation.

Correlation between MCX Cotton futures prices and spot prices in 2024-25	0.94
Standard deviation of MCX Cotton futures prices in 2024-25	0.71
Standard deviation of MCX Cotton spot prices in 2024-25	0.42
Ratio of Standard deviation of MCX Cotton futures prices to spot prices in 2024-25	1.68

d. Correlation between international futures & international spot prices along with ratio of standard deviation (wherever relevant comparable are available).

The international spot prices (ICE) data for cotton could not be obtained.

e. Comparison of Exchange polled price and mandi price (in case of agricultural commodities) / other relevant price (in case non-agricultural commodities) at basis centre.

The local mandi prices for cotton could not be obtained.

f. Maximum & Minimum value of daily futures price volatility and spot price volatility along with disclosure of methodology adopted for computing the volatility.

	Maximum Daily Volatility (%)	Minimum Daily Volatility (%)
MCX Futures price	1.01	0.42
MCX Spot price	0.71	0.28

Note: Above details are based on Near Month contract volatility and for the period 1-Apr-24 to 31-Mar-25. Methodology adopted for computing the volatility is Exponential Weighted Moving Average (EWMA).

g. The number of times the futures contract was in backwardation/contango by more than 4% for the near month contract in the period under review.

Seventeen (17) times the futures contract was in backwardation/contango by more than 4% for the near month contract in 2024-25.

Note: If the near month contract is in tender period, the next expiry contract price is considered for near month contract. If contract is not traded for the day, previous day's close/ settlement price is considered.

4. **Other parameters**

a. Qualitative and quantitative measure for Hedge effectiveness ratio and basis Risk (Volatility of Basis) along with disclosure of methodology adopted for such calculations

Hedging Efficiency for 2024-25	
Commodity	**Hedge Ratio**
Cotton candy	0.3747
Note: Hedging efficiency is the value of Coefficient of Determination (R2) obtained from regressing changes in five-day moving average of daily MCX Spot Prices on changes in five-day moving average of daily MCX Futures Prices during the period.	

Basis Risk for 2024-25		
Commodity	**Unit of Basis**	**Basis Risk**
Cotton	Rs/Candy	4.3663
Note: Basis Risk is computed as the Standard Deviation of normal returns in Basis, which is excess of Spot over Futures price. In case Basis is zero for any day, next day's Basis return has been ignored for computing the Standard Deviation.		

b. Details about major physical markets of the commodity vis-à-vis market reach in terms of availability of delivery centers (information to be provided state-wise and UT-wise)

Name of State	Name of the physical markets	Market Reach of Exchange delivery centers
Gujarat	Keshod, Bardoli, Jetpur Pavi, Gondal, Balasienor, Rajkot, Kadi, Mundra, Babra, Amreli, Sabarkantha, Visnagar, Vijapur, Halvad, Unai, Manavadar, Bevla, Mansa, Mandvi, Kutch, Botad.	Rajkot, Kadi and Mundra
Maharashtra	Nagpur, Narkhed, Nanded, Yavatmal, Jalna, Hinganghat, Wardha, Pulgaon,Akola, Amaravati, Murtizapur, Aurangabad, Sillod, Dhule, Jalgaon	Yavatmal, Jalna, Jalgaon and Nanded
Punjab	Bhatinda, Ferojpur, Sangur, Muktsar, Faridkot, Mansa	No delivery centre
Haryana	Hisar, Fatehabad, Sirsa, Bhiwani, Rohtak, Panipat, Jind, Kaithal, Gurgoan	No delivery centre
Karnataka	Bailhogal, Bellary, Bijapur, Gadaj, Haliyal, Hubli, Kottur, Jamkhand, Raichur, Ranebennur, Savadatti, Shimoga, Yellapur	No delivery centre
Madhya Pradesh	Badwani, Betul, Chindwara, Dhar, Dewas, Harda, Jhabua, Khandwa, Khargone, Ratlam, Shajapur, Dhamnod, Indore	No delivery centre
Telangana	Adilabad, Warangal, Nirmal	No delivery centre
Andhra Pradesh	Guntur, Khammam	No delivery centre
Rajasthan	Hanumangarh, Pili Banga, Sriganga– nagar, Palampur, Sangriya,Suratgarh, Sri Vijayanagar, Shadulshakar, Rawatsar, Kherthal,Bijaynagar, Rajsighnagar.	No delivery centre
Tamil Nadu	Cuddallore, Villupuram, Vellore, Thiruvannamalai, Salem,Dharamapuri, Coimbatore, Erode, Tiruchilapalli, Thanjavur, Pudukottai, Dindigul, Madurai, Theni, Virudhanagar, Tirunelveli	No delivery centre
Orissa	Ganjam, Roygoda, Karaput, Kalahandi, Navaranpur, Bolangir, Dhenkenal,	No delivery centre

Source: Trade Estimate.

c. Details about major physical markets of the commodity and Average Open Interest for each month generated from those regions.

Details about physical markets are given above. Region-wise open interest is not available.

d. Details, such as number and target audience, of stakeholders' awareness programs carried out by the exchange.

Overall, the PMT – Agri team conducted 207 programs in the Agri segment, and the target participants were primarily the physical participants, especially, the Farmers and Farmer Producing Organisations (FPOs) associated with the commodities listed on the MCX platform.

e. Steps taken / to be undertaken to improve hedging effectiveness of the contracts as well as to improve the performance of illiquid contracts.

The exchange strives to ensure that the contract remains a healthy replica of the physical market. We do one-on-one meetings and Product Advisory Committee (PAC) meetings with the physical market participants to make modifications in the contract to make it more lucrative for physical participants to participate in the contract.

4. Any other information to be disclosed as deemed important by the exchange or as suggested by the PAC.

No other information to be disclosed.

Disclaimer:

"The information contained in this report is provided for information purpose only and are provided on as available basis. Along with MCX information, this report also contains the information obtained from third party sources/ market sources on best effort basis. The user of the information assumes the entire risk of any use of such information provided herein at its sole discretion. MCX ensures accuracy and reliability of information, to the best of its endeavors, however, makes no warranty or representation as to the accuracy, completeness or reliability of any of the information along with the third-party information contained herein. MCX expressly disclaims any and all liability whatsoever to any person for any damage or loss of any nature arising out of use or as a result of reliance, any error, misrepresentations or omissions of any of the information provided herein. The information contained in this document is not intended to provide any professional council or investment advice. No information contained herein may be reproduced, stored in a retrieval system or transmitted in any form, or by any means - electronic, mechanical, photocopying, recording, scanning, or otherwise without explicit prior permission of MCX."