

MULTI COMMODITY EXCHANGE OF INDIA LIMITED

Regd. Office: Exchange Square, Suren Road, Andheri (East), Mumbai – 400093.

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of Multi Commodity Exchange of India Limited will be held on **Monday, September 30, 2013 at 12.00 noon at Navinbhai Thakkar Auditorium, Near Rajpuria Hall, Shraddanand Road, Vile Parle East, Mumbai - 400057** to transact the following business(es):

ORDINARY BUSINESS(ES):

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of interim dividend on Equity Shares for the financial year 2012-13 and to declare a final dividend on Equity Shares for the financial year ended March 31, 2013.
3. To appoint a Director in place of Mr. Venkat Chary, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. C.M. Maniar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Shveta Vakil, who retires by rotation and being eligible, offers himself for re-appointment.
6. **To appoint Auditors and to fix their remuneration and for such purpose to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai (Firm Registration no. 117366W) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting, on such remuneration and reimbursement of out-of-pocket expenses as may be recommended by the Audit Committee and approved by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary to implement this resolution."

SPECIAL BUSINESS(ES):

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of the consolidated FDI Policy as prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP") from time to time, the Foreign Exchange Management Act, 1999 ("FEMA"), the Master Circular on Foreign Investment in India issued by the Reserve Bank of India (RBI), the SEBI (Foreign Institutional Investors) Regulations 1995, the relevant provisions of the Memorandum and Articles of Association of the Company and all other applicable rules & regulations, guidelines and laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the necessary approval and/or consent of the Foreign Investment Promotion Board (FIPB) and Forward Markets Commission (FMC) or any other statutory and/or regulatory authorities, as may be applicable and the conditions that may be prescribed by any of them while granting any such approval and/or consent and as may be agreed to by the Board of Directors of the Company, consent of the Company be and is hereby accorded to provide for an increase in the limit of shareholding by Foreign Institutional Investors (FIIs) from current 23% up to 49% of the paid-up equity share capital of the Company within an overall sectoral cap of 49% and making the sub-limit of 23% FII interchangeable with 26% Foreign Direct Investment (FDI) for secondary market compliance under Portfolio Investment Scheme (Schedule 2 and 3 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) such that individual holding of FII shall not exceed 5% of the paid capital of the Company or as may be revised from time to time under FDI policy and such FIIs' holding shall also be in conformity with the applicable Guidelines on the Equity Structure of the Nationwide Multi Commodity Exchanges After Five Years of Operation as issued by FMC, Department of Consumer Affairs, Ministry of Consumer Affairs, including any amendments thereto, ("Equity Structure Guidelines").

RESOLVED FURTHER THAT, without prejudice to the generality of the above, the Board be and is hereby authorised to do such acts, deeds and things as the Board in its absolute discretion deem necessary or desirable in connection with and to give effect to the aforesaid resolution, including, without limitation, the following:

- (i) seek any consents and approvals from concerned statutory and regulatory authorities, if required;
 - (ii) file requisite documents with the FMC, DIPP, FIPB, RBI, SEBI, Stock Exchanges and any other statutory and/or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;
 - (iii) settle any issues, questions, difficulties or doubts that may arise;
 - (iv) further authorise any committee and/or director/s and/or officer/s of the Company to seek the aforementioned consents and approvals, and/or to execute and/or file the above documents and/or to carry out any/all of the aforesaid actions.
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 (SEBI Guidelines), as amended from time to time and the Employee Stock Option Scheme – 2008 (ESOP-2008) of the Company", as amended from time to time, the Shareholders hereby ratify and confirm the amendment by addition of the following clause in the third paragraph of Clause 8.8 of the Employee Stock Option Scheme – 2008 (ESOP – 2008) applicable to the options to be granted with effect from June 1, 2013:

'The Options granted would vest to the ELIGIBLE EMPLOYEE in four (4) installments in the following manner:-

- (i) 10% (ten percent) of the total number of OPTIONS granted after 12 months, from the date of grant of OPTIONS.
- (ii) 20% (twenty percent) of the total number of OPTIONS granted after 24 months, from the date of grant of OPTIONS.
- (iii) 30% (thirty percent) of the total number of OPTIONS granted after 36 months, from the date of grant of OPTIONS.
- (iv) 40% (Forty percent) of the total number of OPTIONS granted after 48 months, from the date of grant of OPTIONS.'

By Order of the Board of Directors

July 29, 2013
Mumbai

P. Ramanathan
Sr. Vice President & Company Secretary

Notes:

1. **A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the Company.** Proxy shall not vote except on a poll.
2. Proxy form, in order to be effective, should be duly completed, stamped and signed, and must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
3. A Body Corporate/Corporation being a member shall be deemed to be personally present at the meeting if represented in accordance with the provisions of Section 187 of the Companies Act, 1956.
4. **Explanatory Statement as required under Section 173 of the Companies Act, 1956, in relation to the Special Business of the meeting is annexed hereto.**
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 20, 2013 to September 30, 2013 (both days inclusive).

6. The payment of final dividend, upon declaration by the shareholders at the forthcoming annual general meeting, will be made on or after October 7, 2013 as under:
 - a) to all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be furnished by National Securities Depository Limited and Central Depository Services (India) Limited as on September 19, 2013.
 - b) to all those Members holding shares in physical form after giving effect to all valid share transfers lodged with the Company before the closing hours on or before September 19, 2013.
7. Dividend will preferably be paid through NECS, where the facility is available. Where dividend payments are made through NECS, intimations regarding such remittances would be sent separately to the shareholders. In cases where the dividend cannot be paid through NECS, the same will be paid by account payee/not negotiable instruments.
8. All documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all working days during business hours up to the date of the Annual General Meeting.
9. The certificate from the Auditors of the Company certifying that the Employee Stock Option Scheme of the Company is being implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 (SEBI Guidelines), as amended from time to time, and in accordance with the resolution of the General meeting will be made available for inspection to shareholders at the Annual General Meeting.
10. Any member seeking further information on the Audited Accounts of the Company at the ensuing Annual General Meeting is requested to send their queries in writing to the Company so as to reach at least one week in advance to enable the Management to keep the information ready.
11. Members who hold shares in dematerialised form are requested to write their Client ID. and DP ID. Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
12. Members are requested to immediately notify any change in their address/bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at Karvy Computershare Private Limited, Plot No.17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081 in respect of their physical share folios, if any.
13. **Members/Proxies are also requested to bring their copy of the Annual Report along with attendance slips.**
14. **For security reasons and for proper conduct of the meeting, no baggage will be allowed at the venue and the entry to the venue of the meeting will be regulated by the Attendance Slip annexed. No eatables will be permitted in the meeting hall.**
15. The Company has designated an exclusive email ID viz. ig-mcx@mcxindia.com to enable the investors to post their grievances, if any, and monitor its redressal.
16. Shareholders who have so far not encashed their dividend warrant for the financial year 2007-08 onwards are requested to make their claims either with the Secretarial Department at the registered office of the Company or the office of the Registrar and Share Transfer Agent (RTA), Karvy Computershare Private Limited. Members are requested to note that the dividends not encashed or claimed, will, as per the applicable provisions of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund of Government of India. In view of this, members are advised to send all the unencashed dividend warrants pertaining to financial years 2007-2008 onwards for revalidation and encash them before the relevant due dates.
17. Members who hold shares in electronic form and want to change/correct the bank account details should send the same immediately to their concerned DPs and not to the Company. Members are also requested to give the MICR Code of their bank to their DPs. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of the deceased joint holder's name and change in the bank account details. The said details will be considered, as will be furnished by NSDL/CDSL to the Company.
18. The Securities and Exchange Board of India (SEBI) vide its Circular dated 21st March, 2013 has provided that companies making cash payments to their investors shall use the approved electronic mode of payment such as ECS, NECS, NEFT, etc. To enable usage of electronic payment instruments, companies are required to maintain requisite bank details of their investors:-
 - For securities held in electronic form, companies shall seek relevant bank details from DPs.
 - For securities held in physical form, companies shall maintain updated bank details received from investors.

19. To avoid the incidence of fraudulent encashment of dividend warrants, Members are requested to intimate our Registrar and Transfer Agents, Karvy Computershare Private Limited, Plot No.17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500081 under the signature of the Sole/First Joint holder, the following information, so that the bank account number, name and address of the bank can be printed on the dividend warrants:
1. Name of Sole/First Joint holder and Folio number.
 2. Particulars of bank account, viz.
 - i) Name of bank
 - ii) Name of branch
 - iii) Complete address of bank with PINCODE
 - iv) Account type, whether Savings or Current Account
 - v) Bank Account Number
20. The Ministry of Consumer Affairs, Government of India, through its Circulars bearing Nos.17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011, respectively, has allowed companies to send documents viz. notices of meetings, annual reports and other shareholder communication to their shareholders electronically as part of its Green Initiative in corporate governance. The Listing Agreement with stock exchanges also permits sending the aforesaid documents through electronic mode to Members who have registered their email address with the Company for this purpose. The Company supports the Green Initiative measures. Members are also requested to join the Company in this initiative by registering their email-id with the Company or its RTA.
21. Mr. Venkat Chary, Mr. C. M. Maniar and Mr. Shveta Vakil, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Disclosure pursuant to clause 49 of the Listing Agreement with the Stock Exchange, information about the Directors proposed to be re-appointed is provided on next page.

As required by clause 49 (IV)(g)(i), the details of Mr. Dinesh Kumar Mehrotra, independent director, appointed on the Board by FMC as stated in the Directors' Report is as under:

Name, Age & Brief Profile	Mr. Dinesh Kumar Mehrotra , 60, former Chairman of the Life Insurance Corporation of India (LIC) is nominated by FMC as Non-Executive Independent Director on the Board for a period up to March 31, 2016. He holds a Bachelor's degree in Science and has over 36 years of management experience with LIC, handling its Indian as well as overseas business. He has served LIC in various senior capacities such as Managing Director, Executive Director - International Operations, Zonal Manager - Eastern Zone responsible for Corporate Planning, Marketing Strategies including Product development, and framing and implementation of various policies. He has also held the position of Convenor & Member Secretary of the Expert Group Committee formed by the Ministry of Finance, Government of India.
Date of Appointment	July 3, 2013
Directorships and Memberships in Audit and Shareholders'/ Investor Grievances Committees in other Companies	Tata Steel Limited ITC Limited Axis Bank Limited
No. of Shares held	NIL

Name, Age & Brief Profile	<p>Mr. Venkat Chary (IAS Retd.) 73, Chairman, is a Non-Executive Independent Director on the Board of Directors of our Company. He is a former Chairman of FMC. He was also a member of the Maharashtra Electricity Regulatory Commission and held the positions of Additional Chief Secretary, Principal Secretary and Secretary, in the state Government and various positions under the Central 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. Mr. Venkat Chary practices law at the Bombay High Court and was the legal consultant for one of the Shriram Group companies.</p>	<p>Mr. C. M. Maniar, 77, Non-Executive Independent Director, 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 49 years of experience in law as an advocate and solicitor, and specialises in corporate and commercial law as well as intellectual and industrial property law.</p>	<p>Mr. Shvetal Vakil, 62, Non-Executive Independent Director, has worked with Hindustan Lever Limited and Bunge India Private Limited in various senior capacities. Presently, Mr. 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 40 years of experience in evolving growth oriented strategies, including mergers and acquisitions, setting up joint ventures as well as green field projects.</p>
Date of Appointment	September 6, 2003	September 29, 2003	October 3, 2003
Directorships and Memberships in Audit and Shareholders'/Investor Grievances Committees in other Companies	<ol style="list-style-type: none"> 1. Indian Energy Exchange Limited 2. Global Board of Trade Limited (Mauritius) <p>Audit Committee: Indian Energy Exchange Limited (Chairman)</p> <p>Shareholders'/Investors' Grievances Committee: NIL</p>	<ol style="list-style-type: none"> 1. Financial Technologies (India) Limited 2. Foods & Inns Limited. 3. Godfrey Phillips India Limited 4. Gujarat Ambuja Exports Ltd. 5. Hindalco Industries Limited 6. Indo – Euro Investment Company Limited. 7. The Indian Card Clothing Company Ltd. 8. Northpoint Training & 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. Utkal Alumina International Limited <p>Audit Committee: 1. Hindalco Industries Limited 2. Varun Shipping Company Limited 3. TCPL Packaging Limited 4. Pioneer Investcorp Limited</p> <p>Shareholders'/Investors' Grievances Committee: 1. Financial Technologies India Limited (Chairman) 2. Varun Shipping Company Limited (Chairman) 3. TCPL Packaging Limited (Chairman) 4. Hindalco Industries Limited 5. Pioneer Investcorp Limited 6. Godfrey Phillips India Limited</p>	<ol style="list-style-type: none"> 1. Setco Automotive Limited 2. Setco Automotive NA Inc 3. TransStadia Technologies Private Limited 4. TransStadia Hospitality Private Limited 5. TransStadia (Ahmedabad) Private Limited 6. TransStadia Boxing India Private Limited <p>Audit Committee: NIL</p> <p>Shareholders'/Investors' Grievances Committee: NIL</p>
No. of Shares held as on July 29, 2013	15700 equity shares of ₹ 10/- each	1450 equity shares of ₹ 10/- each	1250 equity shares of ₹ 10/- each

The above three directors are also exchange recommended and FMC approved Independent Directors on the Board for a term up to March 31, 2014 in accordance with FMC letter dated April 1, 2011. The Board recommends the re-appointment of Mr. Venkat Chary, Mr. C.M. Maniar and Mr. Shvetal Vakil as Directors of the Company. None of the other Directors of the Company, except the director seeking re-appointment, is concerned or interested in their respective re-appointment.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 7

As per the present consolidated FDI Policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India ("DIPP") (Circular 1 of 2013) and any amendments thereto from time to time, the sectoral cap prescribed for commodity exchange is 49%, comprising of FDI up to 26% and FII's up to 23%.

As per the extant FDI Policy, the FII limit of 23% can be increased to the sectoral cap/statutory ceiling, as applicable, by the Company through a resolution by its Board of Directors followed by a special resolution to that effect by its General Body. The aggregate FII investment, in the FDI and Portfolio Investment Scheme, should be within the above caps.

Further, the Government, in its move for FDI limit enhancement and economic reforms, has recently eased by permitting automatic route for FDI in commodity exchanges. However the "Consolidated FDI Policy" Circular is yet to be issued by the Government. The sectoral cap for commodity exchanges continues to remain at 49% and FII investment limit will be within 49% of the total paid-up capital.

It is therefore proposed to provide for an increase in the limit of shareholding by Foreign Institutional Investors ("FIIs"), registered with SEBI, from 23% up to 49% of the paid-up equity share capital of the Company or such other aggregate sectoral limits as may be prescribed from time to time, under the Portfolio Investment Scheme under FEMA and permitting sub-limit of FII to spill over the sub-limit of FDI, subject to the maximum permitted composite/aggregate holding being limited to 49% or such other aggregate sectoral limits as may be prescribed from time to time.

The Board recommends the resolution for approval of the members of the Company, subject to the approval of DIPP, FIPB, RBI, FMC or any other statutory and/or regulatory authorities, as applicable.

None of the Directors of the Company is concerned or interested in this resolution except to the extent of their shareholding in the Company, if any.

ITEM NO. 8

The Company has been granting stock options to the eligible employees under the Scheme pursuant to the "Employees' Stock Option Scheme - 2008" (hereinafter referred to as the Scheme) approved by the Company at the General Meetings held on February 27, 2008 and subsequent approval/ratification by the Members at the General Meetings held on August 01, 2009 and September 26, 2012. Accordingly, the ESOP Trust has transferred equity shares in lieu of the stock options granted to the eligible employees/directors of the Company pursuant to the Scheme. On a review of the said Scheme and bearing in mind the managements' objective to induct, attract and retain new talent into the organisation, the Compensation Committee in accordance with the Scheme at their meeting held on April 19, 2013 revised the vesting schedule of the stock options under the Scheme so as to distribute the vesting over a period of 4 years for all options to be granted to the present and/or future eligible employees/Directors on or after June 1, 2013 and accordingly introduced the said clause in the third paragraph of Clause 8.8 of the ESOP - 2008 as stated in the resolution.

There shall be no change in the vesting schedule for the options already granted to which the following vesting schedule is applicable:

- (i) 30% (thirty percent) of the total number of OPTIONS granted after 12 months, from the date of grant of OPTIONS.
- (ii) 30% (thirty percent) of the total number of OPTIONS granted after 24 months, from the date of grant of OPTIONS.
- (iii) 40% (Forty percent) of the total number of OPTIONS granted after 36 months, from the date of grant of OPTIONS.

The other terms and conditions of the Scheme shall remain unchanged.

The Board accordingly commends the Special Resolution set out at item no. 8 of the accompanying Notice for approval by the Members of the Company.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution, except to the extent of the options that may be granted to them under the Scheme.

By Order of the Board of Directors

July 29, 2013
Mumbai

P. Ramanathan
Sr. Vice President & Company Secretary

ATTENDANCE SLIP

[To be handed over at the entrance of the meeting hall]

**MULTI COMMODITY EXCHANGE OF INDIA LIMITED**

Regd. Office: Exchange Square, Suren Road, Andheri (East), Mumbai - 400093.

Full name of the Member attending _____
(in block letters)Name of the Proxy _____
(to be filled in, if the proxy form has been duly deposited with the Company)I hereby record my presence at the Eleventh Annual General Meeting of the Company to be held on **Monday, September 30, 2013**
at 12.00 noon at Navinbhai Thakkar Auditorium, Near Rajpuria Hall, Shraddanand Road, Vile Parle East, Mumbai - 400057.

No. of shares held : _____

DP ID/Client ID No. : _____

Regd Folio No. : _____

Members/Proxy Signature _____

(To be signed at the time of handing over of this slip.)

**PROXY FORM****MULTI COMMODITY EXCHANGE OF INDIA LIMITED**

Regd. Office: Exchange Square, Suren Road, Andheri (East), Mumbai - 400093.

I/We _____
 of _____ in the district of _____ being a member(s) of
 Multi Commodity Exchange of India Limited hereby appoint Mr./Ms. _____
 of _____ in the district of _____
 or failing him/her Mr./Ms. _____ of _____
 in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the Eleventh
 Annual General Meeting of the Company to be held on **Monday, September 30, 2013 at 12.00 noon at Navinbhai Thakkar**
Auditorium, Near Rajpuria Hall, Shraddanand Road, Vile Parle East, Mumbai – 400057 and any adjournment thereof.

Signed this _____ day of _____, 2013

No. of Shares held : _____

Regd. Folio No. : _____

DP ID/Client ID No. : _____



Members' Signature

HASSLE-FREE DIRECT CREDIT OF DIVIDEND - MAKE USE OF NECS FACILITY FOR SPEEDY CREDIT OF DIVIDEND

Shares held in Electronic form	Shares held in Physical form
Register your latest Bank Account details (core banking Solutions enabled account number, 9 digit MICR and 11 digit IFS Code) with your Depository Participant (DP).	Provide your latest Bank Account details (core banking Solutions enabled account number, 9 digit MICR and 11 digit IFS Code) along with your folio number to our Registrar and Transfer Agents, Karvy Computershare Private Limited, Plot No.17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500081.



Enabling Inclusion. Creating **Livelihoods.**



