

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2770
ANSWERED ON:26.11.2010
MCX-SX APPLICATION
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Will the Minister of FINANCE be pleased to state:

- (a) whether Multi Commodity Exchange-Stock Exchange(MCX-SX) is a full fledged stock exchange;
- (b) if not, whether any application in this regard is received in the Securities and Exchange Board of India (SEBI); and
- (c) if so, the details thereof and the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) There is no reference to the term `full fledged` in regard to stock exchanges, in the Securities Contracts (Regulation) Act, 1956 or Securities Contracts (Regulation) Rules, 1957 and in the regulations relating to the same. MCX-SX is a recognised stock exchange under Section 4 of the Securities Contracts (Regulation) Act, 1956. In exercise of the powers conferred under Section 4 of the Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India (SEBI) vide notification dated September 18, 2008 granted recognition to MCX Stock Exchange Limited (MCX-SX) as a stock exchange for initially operationalising the exchange traded currency derivative segment subject to certain conditions. Further, vide notification dated August 30, 2010 renewal of recognition to MCX-SX has been granted till September 15, 2011 subject to certain conditions. MCX-SX is at present offering trading in currency futures.

(b) SEBI has received an application dated April 07, 2010 from MCX-SX.

(c) The application of MCX-SX dated April 07, 2010 for equity and other segments was rejected vide SEBI's quasi judicial order dated September 23, 2010 passed by the Whole Time Member, SEBI. Subsequent to this order, SEBI has received applications from MCX-SX to operate in other segments/products for which approval has not been given in view of the non-compliance identified in the said SEBI Order.