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Indian Commodity Exchange Limited (ICEX)

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Indian Commodity Exchange (ICEX) is the fourth India's Commodity exchange which incorporated on August 18, 2008 as a public company at companies Registrar office Surat, Gujrat. ICEX is a Government of India enterprise. It was founded as a subsidiary of National Multi Commodity Exchange of India Limited (NMCE). The NMCE was launched on November, 26, 2002. NMCE was first India's online demutualized commodity exchange by Indian Commodity Group which was based corporation and public agencies. It was listed its first contracts on 24 commodities in November, 2002. The ICEX which was launched in 2009, when the central government was recognized ICEX as on exchange under forward contracts through issued a notification in October, 2009 as permanent basis but in 2013 Securities and Exchange Board of India (SEBI) withdrawn its recognition on several grounds like net worth requirement for three years. In July, 2017 National multi commodity Exchange (NMCE) and Indian Commodity Exchange (ICEX) agreed to merge and they close deal in Dec, 2017. As per rules, every recognized stock exchange is required to have a minimum networth of Rs. 100 Cr at all times. At the of merger the networth of NMCE's was Rs 76 Cr. While ICEX has Rs 100 Cr networth. So regulatory provide approval to ICEX in July. 2017 to start its operation. The National Company Law Tribunal (NCIT) also sanctioned the amalgamation of NMCE with ICEX in 2018-19. As per NMCE the commodities on erst while NMCE were automatically traded on the ICEX platform by operation of law.

Indian Commodity Exchange re-started its operation in August, 2017. The ICEX headquarter is located at Navi Mumbai (Maharashtra). ICEX it recognized by SEBI as a Commodity Exchange and also regulated by SEBI having demutualized corporate structure, online trading, clearing and settlement with best practices. It provides nationwide online trading platform for commodity trading through its appointed brokers in India. The company provides a trading platform for derivatives of precious metals, industrial metals, spices, oil complexes, energy products, fibers, and various agricultural products, It serves farmers, traders and actual users in India. ICEX launched the world first ever Diamond derivatives contract of 1 carat in August, 2017 at the time of re-starting its operation and after a years it launched its steel long contact, Thereafter ICEX launched "Paddy Basmati" Derivatives

Contract in July, 2019. ICEX also provides helps to farmers in price discovery and risk management of the commodity derivatives market to the producers of the commodity. It also allows farmers to trade, those derivative contract which it not available on multi Commodity Exchange.

ICEX become first exchange in India which embrace an international hi-tech system which provided guarantees automated and smooth switch-over from its data center (DC) to the Disaster Recovery (DR) website with no data loss, in case of emergencies, The technology platform has highly optimized processing techniques which enables the system to handle very large orders with latencies under 300 microsecond. ICEX has outsourced its serves with metropolitan clearing Corporation of India in respects to clearing settlement, derivatives and risk management service in October, 2018 a agreement as per SEBI requirement and in compliance with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC).

Indian Commodity Exchange Limited has a network of 138 SEBI registered members having 1298 Authorized Persons, operating through 3340 terminals including computer to computer link (CTCL) across 329 cities/town all over India as of 31st march, 2020. ICEX has no any subsidiary company. The shareholding Pattern of ICEX as on record Date 31/3/2020 is as below.

S.N.	**Shareholder's Name**	**Name of Shares**	**% of total share of the Comapany**
1.	Indiabulls Housing Finance Limited (Promotor)	3,00,00,000/-	5.62%
2.	MMTC Limited (Promoter)	3,20,00,000/-	6.00%
3.	Reliance Corporation Advisory Services Limited	1,73,06,671/-	3.24%
4.	(Promotor)	8,71,00,000/-	16.33%
5.	Reliance Exchange next Limited (Promotor)	5,89,63,956/-	11.05%
6.	Central warehousing Corporation	4,82,09060/-	9.04%
	Duputy Director (PMLA) Direct of Enforcement,		
7.	Ahmedabad	2,66,75,000/-	5.00%
8.	Indian Potash Limited	23,32,52,789	43.72%
	Other Public Shareholding		
	TOTAL	**53,35,07,476**	**100.00%**

Indian Commodity Exchange Limited offers futures trading in India's all economically pertinent commodities. On ICEX platform traded, nearly 14 different commodity derivatives which is classified in two groups, one is Agriculture Products and other in Non-Agriculture Product. In agriculture product are spices (Black Paper and Cardomom), oil seeds (Castor seed, mustard seed, soya bean oil), plantation (Rubber), Fiber Rawjute), Cereals (Paddy Basmati), and other like Guarseeds and Isabgul seeds. In Non-Agriculture Products in Diamonds and steel long contract and Mutual Funds. Where MF launched by ICEX on December 27, 2019 on its platform when SEBI permitted. SEBI re-derecognises ICEX due to lack of networth and other several ground in may 2022 but ICEx said it will re-start within one years by increasing networth.

Members of Indian Commodity Exchange Limited (ICEX) plays an important role between the ICEX and users. All transactions on the ICEX platform have to be executed between registered members Non-Member participants can participate as clients of members. The membership eligibility criteria determined by SEBI act, 1992 and provisions of securities contracts (Regulation) Act, 1956 and Exchange rules & regulations, Byelaws and circulars. Individuals, partnership firms, LLP, Corporation and other can become iCEX members.

- Individuals (Sale Proprietor) who has minimum 21 years age and passed 12th standard with minimum of 2 years' experiencein derivative or can modifies futures market and Indian citizen may be must.
- Partnership firms who is registered under the Indian Partnership Act, 1932 and designated partners atleast 12th std. passed or as may be prescribed by Exchange from time to time. The age must be minimum 21 years.
- Limited liability Partnerships (LLP) who is registered under the LLP Act, 2008 may be apply for membership.
- Corporation, Companies or Institutions or subsidiaries of such corporations, companies or institutions set up for providing financial services are registered under the companies Act, 1956 or companies Act, 2013 and Designated Director must be passed 12th std. by recognized institutions or as may be prescribed by Exchange from time to time alongwith 21 years age. Designated Director should have minimum of 2 years experience in derivative or commodities future market. The paid-up capital of corporate must be Rs 30 Lakhs (Fully-paid-up).
- Those person can also apply for membership who is permitted under securities contracts (Regulation) Act, 1956.

The Indian Commodity Exchange Limited (ICEX) has provided many types of membership. The member can choose any type membership like :

- **Traiding Member (T.M.)/Stock Broker :-** Such types member has rights to trade on its own account as well as as on account of their clients but has no right to clear and settle such trades itself. Such members must be affiliated with any one of the Trading cum Clearing Member or any Professional Clearing Member which have clearing rights on the Exchange. The fees and deposit see next table here.
- **Self Clearing Member (SMS) :**It member can clear and settle transactions on their - own account and also its client account only and not an account of any other Trading members or their clients. They pay fees and deposit as per rules which is noted on table here.
- **Trading cum clearing member (TCM) :** -Such member can trade and settle transactions for self and its client account as well as other trading members and their clients .They pay fees and deposit for membership ,see next table here.
- **Professional Clearing Member (PCM) :** -This type members having rights only to clear and settlement trades excuted by other members of the Exchange. They also pay fees and deposit for membership see in Table next here.

Table about Fees, Networth & Deposit Structure :-

Amount in Rs. Lakh

Particulars	Trading Member with Internet Connectivity	Trading Member with Leased line connectivity	Self Clearing Member	Trading & Clearing Member	(Rs in Lakh) Professional Clearing Member
Membership Fees (A)	6.5	7.50	10.00	10.00	12.50
Goods & Services Tax (GST) @18% (B)*	1.17	1.35	1.80	1.80	2.25

Total Fees (A+B)	7.67	8.85	11.80	11.80	14.75

Networth Requirement

Networth Requirement (As per Dr. L.C. Gupta Formal)	15.00	15.00	100.00	300.00	300.00

Deposits Requirement

Base Minum Capital as per SEBI circulars no. CIR/CDMRD/DRMP/01/2015 at Oct 01, 2015 & SEBI/HO/CDMRD/DRMP/CIR/P/2018/52dated march 21,2018					
(a) Members without Algo trading (b) Members doing Algo trading	10.00 50.00	10.00 50.00	10.00 50.00	10.00 50.00	- -
Interest free Deposit (Liquid Assets)	-	-	50.00	50.00	50.00

= GSTN to be provided for availing GST credt

Notes :-

- No exposure will be provided by the Exchange on the base minimum capital.
- Base minimum capital will be in form of 25% in cash and balance 75% in cash equivalents such as Fixed deposit/Bank Guarantee.
- Interest free Deposit will be in form of 50% in cash and balance 50% in cash equivalents such as Fixed Deposit/Bank Guarantee.
- Annual Subscription Fee payable to Exchange as per Exchange Circular ICEX/MEM/2018-141 dated April 24, 2018.
- Connectivity fee payable to Exchange as per Exchange circulars Ref. No. ICEX/TECH/2017-012 dated January 30, 2017 and ICEX/TECH/2017-025 dated May 02,2017 as applicable.

The process for become member of ICEX is start to submission of filling application form along with documents and the fees. Thereafter, a team of ICEX evaluate documents and application information and after evaluation the exchange conduct member interview. Exchange allot membership code those members who get admission. The Exchange now application of admitted members present to SEBI for final registration. The SEBI should be issue registration certificate to the member and now the membership is activated. Thus, the member start its operation at Exchange platform.

Therefore, it is find out that ICEX having demutualized corporate structure, online trading, clearing and settlement with best practices. It is on unique exchange that provide as trading facility on its platform which is not available at any other commodity exchange platform for trading. While it was derecognized by SEBI two times as in 2013 and 2022 but it is come back in 2017 to take recognisation with SEBI and it hopes that it will complete SEBI requirement within one year. ICEX provide services to farmers and traders with a complete commodity trading experience. The ICEX members play best role of intermediary between exchange and formers. The members also help farmers in trading & clearing settlement of its commodity on the exchange platform while the objective of ICEX is more development of commodity market but probably implementation is not successful. It should be developed awareness about ICEX function in public and investors. Thus, it become more popular commodity exchange in India. The ICEX development is show that improvement of Indian Economy.

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