

**Trading in commodities just got a lot smarter**



**Indian Commodity Exchange Limited**

A Public—Private Partnership

## Introduction

The commodities futures market in India is only about 3 times the size of physical market, whereas it is more than 10 times the size of physical market in other developed countries. Therefore, the current state of commodities market in India leaves lot of scope for growth in terms of depth and reach of the market as well as attracting new players who are utilizing the services of overseas commodities market due to various reasons like lack of depth in product category they wish to trade in ; inadequate warehousing facilities at strategic locations,etc.

**Indian Commodity Exchange Limited** is a screen based on-line derivatives exchange for commodities and has established a reliable, time tested, and a transparent trading platform. It is also in the process of putting in place robust assaying and warehousing facilities in order to facilitate deliveries. It is jointly promoted by Reliance Exchange Next Infrastructure Limited and MMTC Limited, Indiabulls Financial Services Ltd., KRIBHCO, Indian Potash Ltd., and IDFC among others, as its partners.

This exchange is ideally positioned to tap the huge scope for increasing the depth and size of commodities' market and fill in the structural gaps existing in the Indian market. We have head office located in Mumbai and have regional offices spread across the country which covers agri belt, with a vision to encourage participation of farmers, traders and actual users to hedge their positions against the wide price fluctuations.

### Competitive advantage of Indian Commodity Exchange



## Corporate Vision

ICEX would strive to achieve the following:

- Provide fair, transparent and efficient trading platform to all participants.
- Meet the international benchmarks for the Indian commodity market.
- Provide equal opportunity and access to investors all Over the country through the modern communication modes.
- Attract a wide array of end users, financial intermediaries and hedgers.
- Become a major trading hub for most of the commodities.
- To provide product portfolio to suit the trading Community needs in an efficient manner

## Commodities traded

We will provide the widest range of benchmark future products available on any exchange, covering all major commodities. Our collective vision is global growth, innovative product development, continually enhanced technology and the highest level of service available on any exchange. We offer future trading in

- Agriculture Commodities • Bullions
- Base Metals • Energy

Our objective is to serve customers with a global product line, virtually round-the-clock electronic trading and strategic alliances with other leading players. We also offer a number of programs and products designed specifically to appeal to a global audience.



## Key Differentiators

### Impeccable lineage:

- Joint venture between Public/Private entities
- Well capitalized Rs.100Cr initial capital
- Reputation of partners and pan India presence
- Key stake holders having rich experience in the domain viz. commodities, warehousing, financial markets
- Professionally driven exchange with an entrepreneurial mindset
- Aim to remove discrepancy in the commodities market by building transparency in the exchange
- Unprecedented price transparency and market depth

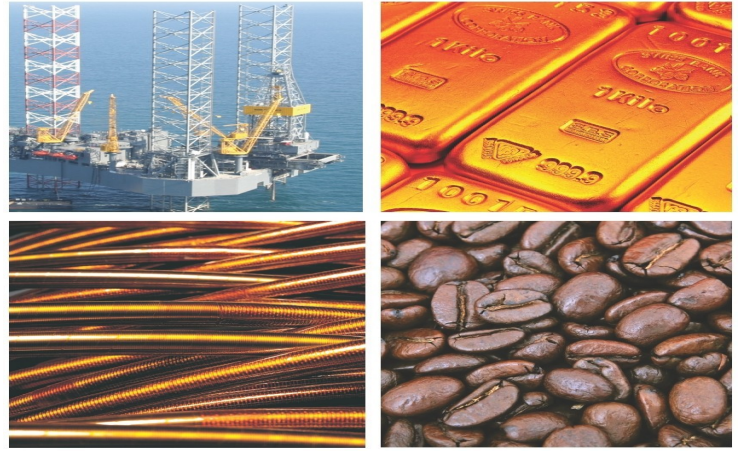
### Technology:

- Speed and Accuracy of Application Software
- Unique features for faster trading compared to Indian software
- Fault Tolerant Application Design
- The Electronic trading platform provided will provide rapid trade execution and would be one of the world's most flexible, efficient and secure commodities trading systems
- The Electronic platform would be scalable and flexible, which means new products and functionality can be added quickly and without requiring users to upgrade their own systems
- Fully equipped with leading data security and encryption
- Our platform solution will be easy to use, functionally rich and offers built-in pre-trade risk management, a real-time order book and deal ticker, and the industry's most sophisticated spread implication engine
- Failover technology with an uptime of 99.99%

### Warehousing:

- Effective delivery mechanism through public-private warehouses with stringent quality control
- MMTC and IPLs existing warehouse facilities would be great asset in ensuring delivery obligations of the market participants
- Efficient delivery mechanism through accredited warehouses
- Independent and professional logistical support

- The exchange will strive for assaying and testing to be of the highest standards so as to avoid quality disputes



### Risk Management:

- Maintaining Net Worth requirements
- Price circuit filters
- Margin requirements
- Position limits at Member / client level
- MTM
- Settlement guarantee Fund

### Clearing and Settlement:

- Efficient clearing and settlement system
- Establishing Settlement guarantee fund
- Provides the logical conclusion for the trade executed
- Supplement the trading activities of the members by processing the margin increase/release request
- Work as a billing center for the exchange

### Research and Analysis:

- Effective Research and analysis (Fundamental/ Technical).
- Skilled analysts with rich domain experience
- In depth knowledge of the Commodities market
- MMTCs domain expertise for designing ideal contracts

### Customer Support:

We ensure that appropriate guidelines are framed for investors and investors are informed about their rights. We also conduct awareness programmes for investors, redress their grievances and formulate arbitration procedures.

**RELIANCE**

Exchange Next

**Reliance Exchange Next** Reliance Exchangenext Limited (R Next), a subsidiary of Reliance Capital Ltd(RCL), is the new initiative of RCL. R Next is spearheading the RCL's entry in the exchange business. R Next has setup Reliance Spot Exchange, ( RSX) the national electronic spot market or e-mandi. RSX is present across the value chain from trading, clearing, settlement and custody and offers a wide spectrum of services covering e-auction, intermediation, storage, assaying & grading etc. for the agriculture sector.



**Minerals & Metals Trading Corporation of India Limited**, a Government of India enterprise and the largest international trading company of India. It is the largest exporter of Minerals and single largest importer/ supplier of Bullion & Non-Ferrous Metals in India. MMTC also leads in trading of agro products, fertilizers, coal, hydrocarbons, textiles,

**Indiabulls**

**Indiabulls Financial Services Limited** is a part of Indiabulls Group, one of the top business houses in the country with business interests in Real Estate, Infrastructure, Financial Services, Retail, Multiplex and Power sector. Indiabulls Financial Services is one of India's leading and fastest growing private sector financial services companies. It is an integrated financial services powerhouse ranking among the top private sector financial services and banking groups (in terms of net worth).

**KRIBHCO**

**Krishak Bharati Cooperative Limited**, a world premier fertilizer producing cooperative society, registered under Multi- State Cooperative Societies Act-1985, promoted by Govt. of India, IFFCO, NCDCA and other agricultural cooperative societies spread all over the country.



**Indian Potash Limited**, the biggest canalizing agency (State Trading Enterprise) for import of Urea and other fertilizers on behalf of Government of India, is a major player in Indian Fertilizer Industry with offices and dealers network across the country.



**Infrastructure Development Finance Company Limited**, a specialized financial intermediary for infrastructure development has funded integrated transportation, urban infrastructure, health care, food and agri-business infrastructure, education infrastructure, tourism, energy telecommunication and infrastructure technology projects. It has taken key initiatives in providing leadership in rationalizing policy and regulatory

## How to become a Member?

Following types of entities are eligible to become members of Indian Commodity Exchange Limited.,

- Individual / Proprietorship Firm
- Registered Partnership Firm
- Hindu Undivided Family (HUF)
- Private Limited Company
- Public Limited Company
- Co-operative Societies

The membership of the exchange shall be open to all market participants and depending on their specific needs, we offer various categories of membership viz.

- Trading Member (TM)
- Trading cum Clearing Members (TCM)
- Professional Clearing Members (PCM)
- Institutional Trading cum Clearing Members (ITCM)



### Indian Commodity Exchange Limited

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