

## **Airtel veteran buys 5% in ICEX from MMTC**

OUR BUREAU

**MUMBAI, JAN 17:**

Bharti Airtel group veteran Akhil Gupta and a Delhi-based investor Vijay Sharma of BN Enterprises have acquired five per cent each in the now defunct Indian Commodity Exchange (ICEX). Anil Ambani is the largest shareholder in the exchange.

State-owned MMTC, which holds 26 per cent stake in the exchange, sold 10 per cent of its stake for an undisclosed amount, said a source.

The exchange plans to revive operations by infusing ₹50 crore through a rights issue by early next month, he said.

ICEX suspended trading in April, 2014. It went live with trading in November 2009 but had to shut down due to dwindling volumes and raising expenses amid intense competition from established rivals such as MCX in metals and energy and NCDEX in farm category.

However, much has changed since the exchange was shut. Hopes are now high for commodity exchanges with SEBI taking over as regulator from the Forward Markets Commission late last year.

The commodity exchanges have received stock exchange status and may be allowed to launch trading in equities and new products in commodities early next year.

However, running a commodity exchange has become a costly proposition with SEBI directing exchanges to set a separate clearing house by September, 2018 with a minimum net worth of ₹300 crore.

Trading volumes have been shrinking with high cost for traders, including commodity trading tax and low open position.

Volatility is also curbed with tight price limits, especially in agriculture commodities.

(This article was published on January 17, 2016)