



## **NCLT approves merger of Ahmedabad based NMCE with Reliance-anchored ICEX**

**The merger will create India's third largest commodity exchange after MCX and NCDEX**

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The National Company Law Tribunal (NCLT) has approved the merger of Ahmedabad-based National Multi Commodity Exchange (NMCE) with Reliance-anchored Indian Commodity Exchange (ICEX).

This has created the third largest commodity exchange in India only after Multi Commodity Exchange of India (MCX) and National Commodity and Derivatives Exchange (NCDEX).

With this, the boards of both the exchanges are set to meet this week to formalise and execute the merger process. NMCE will cease to exist post filing documents with the Registrar of Companies (RoC).

The merger is set to benefit both the exchanges. Post merger, all contracts of NMCE would automatically be migrated to ICEX to help boost the latter's inorganic growth.

"The merger will bring ICEX to the new paradigm with automatic shifting of active agri and non-agri contracts from NMCE. This will add around Rs 2,000 million daily average turnover (DAT) of NMCE to the existing DAT of Rs 350 million on ICEX.

Hence, all inorganic growths of the exchange are welcome,” said Sanjit Prasad, managing director and chief executive officer, ICEX.

With around 30 staff members working for NMCE, primarily in business development, the overall manpower of the merged entity would go up to 130.

“We have made plans to remain in business for the long term. We are working towards the launch of equity, interest rate futures, currency and futures and options (F&O) segments. We have not made any concrete plan in this regard,” said Prasad.

ICEX launched steel futures last week which is witnessing a steady growth in volume. Steel futures have witnessed 9,000 tonnes of trading volume and 1,500 tonnes of open interest in a short span of five days.

The merged entity will have a wide and diverse set of shareholders, including Central Warehousing Corporation, Bajaj Holdings, Reliance Capital, Punjab National Bank, NAFED, Indiabulls Housing Finance, MMTC, Gujarat Agro Industries Corp, IDFC Bank, Kribhco and India Potash, among others.