



NCLT approves 1:10 swap ratio for ICEX, NMCE merger

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Mumbai: The National Company Law Tribunal (NCLT) has approved the swap ratio of 1:10 for the merger of National Multi Commodity Exchange (NMCE) with the Indian Commodity Exchange (ICEX), a top ICEX executive said.

The board of directors of both the exchanges will meet this week to formalise the merger.

Announced in July last year, the merger will create the country's third largest commodity exchange, after Multi Commodity Exchange of India (MCX) and National Commodity & Derivative

"The NCLT has approved the swap ratio of one share of NMCE for 10 shares of ICEX," Sanjit Prasad, chief executive officer, ICEX, told PTI.

"Following the NCLT approval of merger, ICEX will become India's third largest commodity exchange with average daily turnover of Rs 300 crore," he added.

With the merger, all commodity contracts on the NMCE will be migrated on to the ICEX platform and all members of NMCE will be allowed to trade on ICEX, according to him.

Both agri and non-agri commodities will be available on ICEX platform for its members to trade.

"The board of directors of both the exchanges will meet this week to formalise the merger. NMCE will cease to exist post filing relevant documents with the Registrar of Companies (ROC)," said Prasad.

The boards of the two exchanges had earlier approved the merger in which ICEX's shareholders would hold 62.8 per cent stake in the merged entity, while NMCE's shareholders would hold 37.2 Percent.

The merged entity will have a wide 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.