

37.2:62.8 swap ratio okayed for NMCE-ICEX merger by creditors, shareholders

The net worth of the merged entity will be approximately Rs 2 billion, Sanjit Prasad, managing director of ICEX

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Creditors and shareholders of Ahmedabad-based [National Multi Commodity Exchange](#) (NMCE) and [Reliance](#) ADAG-anchored [Indian Commodity Exchange](#) (ICEX) have voted in favour of the scheme of merger proposed earlier by the management of both.

A meeting in this regard was convened recently under the supervision of former high court judge Kamal Mehta. Both have to file separate petitions for [National Company Law Tribunal](#) (NCLT) approval, which they have done. Under law, the tribunal would give an opportunity to shareholders for any objections before passing a final approval order. While the two exchanges have already filed their petitions separately in the NCLT, the tribunal is yet to start hearing of the case.

On July 3, 2017, both bourses had announced a merger plan to create India's third largest commodity exchange, to be called [ICEX](#). The two biggest are Multi Commodity Exchange of India and National Commodity and Derivatives Exchange. The merged entity aimed to offer futures trading in bullion, oil, rubber and agricultural commodities other than the ones already listed.

Sources say [ICEX](#) plans to launch coal contracts very soon. It had launched contracts in polished diamonds last September.

The boards of the two exchanges approved the merger with ICEX's shareholders to hold 62.8 per cent stake and NMCE's at 37.2 per cent in the new entity. Shareholders in the merged entity would be MMTC, Indian Potash, Kribhco, IDFC Bank, [Reliance Capital](#), Indiabulls Housing Finance, Punjab National Bank, Bajaj Holdings and Central Warehousing Corporation, among others. The merger is expected to be complete in three months.

"The date for hearing on the petition by [NCLT](#) is awaited," said Sanjit Prasad, managing director of [ICEX](#). "The net worth of the merged entity will be approximately Rs 2 billion. The product basket shall enhance, with increase in members, clients and geographical spread."