

# Four Pillars of NCDEX Ltd: An Outlook

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## Abstract

NCDEX (National Commodity and Derivatives Exchange Limited) is one of the Indian commodities derivative exchange and multi commodity exchange, trade both agricultural and non-agricultural commodities. It is India's largest agriculture derivative exchange with market share of 75 percent in agriculture derivative contracts in the year 2021. This is the first domestic exchange to operate from an Uptime-certified Tier-IV data Centre. Especially in agriculture products price discovery, price locking and risk management is more useful to formers, FPOs (Farmer Producer Organisation) and interested investors for upliftment and development of formers. This is one of the main commitments of the nation and NCDEX Ltd. NCDEX (National Commodity and Derivatives Exchange Limited) taken many initiatives from its incorporation for to crate holistic and integrated market infrastructure. The present paper mainly focusing on NCDEX key initiatives also called as four pillars of NCDEX Ltd, like NeML, NICR, NCRL and NCCL roles in parent company.

**Keywords:** Commodity Derivatives, NCDEX initiatives, Role of subsidiaries, Derivatives Exchanges, Clearing and Settlement process.

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## 1. Introduction

Derivatives are contracts which derive their values from the value of one or more other underlying assets. The underlying assets includes securities, foreign exchange, interest bearing securities, equities, and commodities. Based on the underlying assets derivatives are classified financial derivatives and commodity derivatives. The first modern organized futures exchange was the Chicago Board of Trade (CBOT) in North America established in 1848, for the purpose of futures trading in grains. This main objective is secure prices for their grains and to know those prices in advance of the crops, lock prices and store. After New York Cotton Exchange in 1870 and New York Coffee Exchange 1885 came out. In India first organized futures market is “Bombay Cotton Exchange Ltd” established in 1875 by Bombay Cotton Trade Association to trade in cotton contracts. In 1900 cotton futures, futures trading in oilseeds was started by the formation of ‘Gujarat Vyapari Mandi’ in Mumbai. Futures trading in raw jute and jute goods started in Calcutta with the establishment of the Calcutta Hessian Exchange Ltd in 1919. Based on the Shroff committee report (1950) Forward Contracts Regulation Act 1952 was framed. Based on the Act, the Forward Market Commission (FMC) was set up in 1953. To make regulation market strong FMC was merged with SEBI on 28 September, 2015. Present commodity market exchange also regulated by SEBI. Derivatives are used by the investors as a hedging tool and price locking purpose. In India derivatives are traded in two markets one is OTC (Over the Counter Market) and second one is Organized Regulated Exchanges. NCDEX is one of the national level exchange established in 2003, it is India’s largest agriculture derivatives exchange with a market share of 75 percent in agricultural derivative contracts in the financial year ending march 2021. The present paper mainly focusing on NCDEX key initiatives also called as four pillars of NCDEX Ltd, like NeML, NICR, NCRL and NCCL roles in parent company.

## 2. Review of Literature

**Shree Jothi et al. (2017)** on Indian commodity market: A thematic review of existing literature. Their study focused on the various important concepts on which the review has been done on origin and development, role of exchanges, regulatory mechanism, performance of commodity market and commodity risk management. Researcher concluded that performance of business is adversely affected by price fluctuations in the commodity market.

**Hariharan et al. (2018)** study on Indian commodity market with special reference to commodity exchange. The paper represents on organizational structure of the Indian commodity market and exchanges performance, efficiency and price volatility. Their study concludes, there is a phenomenal growth in the Indian commodity market.

**Greeshma Francis (2019)** study on emerging trends in Indian derivative market. This paper mainly focused on derivative market and its recent developments in the Indian commodity derivative market. Researcher concluded with there is big significance and contribution of derivatives to financial system and Indian economy.

## 3. Objectives

The present study is mainly focusing on following objectives:

- to study the overview of Indian Commodity Derivative Exchanges.
- to evaluate the four pillars of NCDEX Ltd and its roles.

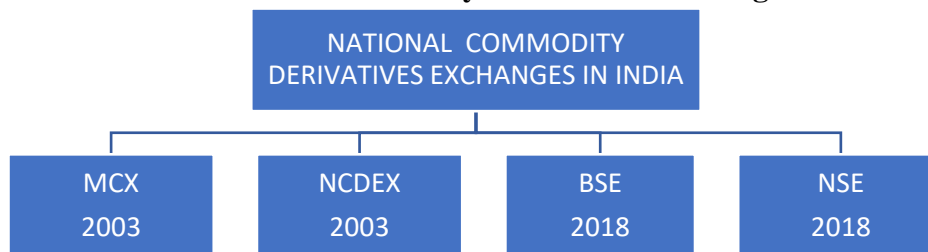
#### 4. Methodology of Study

The study is made on the basis of secondary data sources. The study mainly focuses on NCDEX and its subsidiaries. Data collected from NCDEX, its subsidiary companies, NCDEX webinars, NISM (National Institute of Securities Market) book, academic books, journals, internet, you tube videos and newspapers.

#### 5. Overview of Commodity Derivative Exchanges in India

Previous 20 commodity exchanges are there in India, out of this 6 are national level and remaining 14 are regional level exchanges. After ICEX closed its operations on May 10, 2022, present 4 national (MCX, NCDEX, BSE, NSE) level exchanges are working in India. These four are active commodity exchanges in India. After FMC merged with SEBI on 28 September, 2015, present all exchanges are regulated by SEBI and Ministry of Finance of India.

**Chart-5.1: National Commodity Derivatives Exchanges in India**



##### 5.1 NMCE

National Multi Commodity Exchange of India Ltd (NMCE) is oldest and first commodity derivative exchange in India. It was incorporated in the year 2001 December 20 but began its operations on 2002 November 26 with headquarters in Ahmedabad. This exchange was promoted by the commodity relevant public institutions of the country. NMC is the only exchange in India to have investment and technical support from commodity relevant institutions. These institutions are represented on the board of directors of exchange trading in 24 commodities on November 26, 2002, in the commodities like cash crops, food grains, plantations, spices, oil seeds, metals, and Bullion. In 2018 NMCE merges with the ICEX, NMCE was discontinued from 24th September. All the existing trading contracts at NMCE were shifted to ICEX from September 24, 2018.

##### 5.2 MCX

Multi Commodity Exchange of India (MCX) was incorporated in the year 2003 November 10 with headquarters in Mumbai, India. It is India's largest commodity derivatives exchange it trades agricultural and non-agricultural commodities and India's first listed exchange, is a state-of-the-art, it offers online trading of commodity derivatives transactions, thereby providing a platform for price discovery and risk management. This is India's first Exchange to offer commodity options contracts, bullion index futures and base metals index futures contracts. Its turnover and permitted commodities for trade also high compared to other exchanges.

MCX launched the MCX India commodity indices (MCX I Comdex) on 2019 December 20. Trading in iCOMDEX Bullion Futures was launched in 2020 August 24 and iCOMDEX Metal Futures was launched on 2020 October 19. MCX, NSE, India INX, NSDL, CDSL signed MoU for setting up International Bullion Exchange at GIFT City (Gujarat International Finance Tec-City) on March 1, 2021. MCX and Chittagong Stock Exchange Limited (CSE), Bangladesh, signed a consultancy agreement to collaborate

for establishment of the first commodity derivatives platform in Bangladesh on April 12, 2022. The Exchange has an extensive national reach, with 590 registered members and 51,783 Authorised Persons with its presence in around 808 cities and towns across India as on 31 December 2022. MCX is India's leading commodity derivatives exchange with the market share of 96.8 per cent in terms of the value of commodity futures contracts traded in financial year 2022-23 (April 2022 –December 2022).

### 5.3 NCDEX

NCDEX (National Commodity and Derivatives Exchange Limited) was incorporated on April 23, 2003 as a public limited company and commenced operations on December 15, 2003 as a recognised association under the Forward Contracts (Regulation) Act, 1952. NCDEX's main moto is to serve as an efficient platform for Price Discovery and Price Risk Management and this has been consistently demonstrated over the past two decades. It offers diverse range of products such as commodity futures, options in goods and index futures. NCDEX facilitates futures trading in 24 agriculture commodities on oil and oil seeds, grains and pulses, spices, fibers and other commodities. Currently 11 agriculture commodities reflecting India's identity as the world's leading producer of agriculture commodities and its prices are widely recognized as international benchmark prices. The leading products are Barley, Wheat, and soybeans, the exchange also hosts some contracts that are globally benchmarked for commodities like coriander. And also, Options trading in 7 agriculture commodities (chana, mustard seed, guar gum, guar seed, wheat, soya bean and maize) and offered trading in 3 Indices (AGRIDEX, GUAREX and SOYDEX). AGRIDEX index future was introduced in May 26, 2020 but GUAREX and SOYADEX Indices are launched in July 5, 2021. First time NCDEX introduced options in spices (coriander, jeera, and turmeric) on July 10, 2022, present options trading on 10 commodities and also relaunched the commodity future contract on Robusta Cherry AB Coffee (COFFEE) on September 30, 2022 (first time in September 10, 2007). Some commodities are removed by the exchange based on the regulator (SEBI) order, regulator get instructions from government of India because of Essential Commodities Act 1955. In the quarter end December 2022, NCDEX top ten shareholders are NSE (15%), LIC (11.10%), NABARD (11.10%), IFFCO (10%), Oman India Joint Investment Fund (10%), PNB (7.29%), Canara Bank (6.03%), Investcorp Private Equity Fund I (formerly known as IDFC Private Equity Fund III) (5%), Build India Capital Advisors LLP (5%) and Shree Renuka Sugars Limited (5%). These ten shareholders are occupied around 85 percent stake in NCDEX.

### 5.4 ACE

Ahmedabad Commodity Exchange (ACE) was launched on 26 Oct 2010 as a fifth national commodity exchange. It also called as ACE Derivatives and Commodity Exchange. SEBI ordered December 31, 2018 to ACE Derivatives and Commodity Exchange to discontinue its operations as a bourse and withdrew the recognition granted to it. If there is no trading operation on platform of any commodity derivative exchange for more than twelve months then such bourse is liable to exit. From May 31, 2015 trading operations in ACE, primarily organising futures trading in certain commodities are suspended. ACE voluntarily applied to SEBI to remove its recognition, after considered all facts, regulator approved ACE exit.

### 5.5 UCX

Universal Commodity Exchange (UCX) was established in 2012 as sixth national level commodity exchange. It received Ministry approval and Government certification on 30 August 2012 and started its operations on April 19, 2013 with 11 contracts in 9 commodities. The board of UCX had suspended trading operations from July 16, 2014 due to decline in trading volume. UCX also closed same as ACE.

By the request of UCX shareholders, SEBI has passed an order on March 16, 2018 on UCX to discontinue (allow to exit) as commodity bourse (organised market place to trade commodity derivatives).

**5.6 ICEX**

ICEX (Indian Commodity Exchange Ltd) was first recognised as an exchange under forward contracts though a notification issued in October 2009 by the government of India on permanent basis. But ICEX stopped its operations in 2013 due to erosion of its net worth. In July 2017 again get approval from regulator to start its operations, recommenced its futures trading on August 28, 2017. This exchange launched the world’s first-ever Diamond derivative contracts on November 6, 2017 as same as specified in August 24, 2017 by the exchange. ICEX facilitated trading in both agri and non-agri products. India’s old exchange, NMCE was merged with ICEX in 2018. SEBI removed ICEX recognition on May 10, 2022. Based on SEBI every recognised stock exchange is required to have a minimum net worth of Rs 100 crore at all times. But in ICEX Rs 93.43 crore as on November 2021, which further reduced to Rs 86.45 crore as on January, 2022. And also, it’s any contracts are not significant volume during that time.

**5.7 BSE and NSE**

SEBI approved to launch commodity futures in BSE (Bombay Stock Exchange) and NSE (National Stock Exchange) from October 01, 2018 onwards. Both are initially start with non- agricultural futures and then trade agricultural futures also. BSE starts from 1<sup>st</sup> October starting with non-agriculture commodities, like metals. In June 9, 2000 first Exchange-traded Index Derivative Contract in India started by BSE that is futures on the capital market benchmark index, the BSE Sensex. After then BSE commenced trading in Index Options on Sensex on June 1, 2001, on July 9, 2001 Stock Options were introduced in 31 stocks and Single Stock Futures are started in November 9, 2002.

NSE started trading in Commodity Derivatives with the launch of bullion futures on October 12, 2018. And launched the Derivatives contracts on the popular benchmark Nifty 50 Index in June 2000. NSE has now embarked a journey to shape the commodity market, with the introduction of futures on Commodity Derivatives.

**6. The four pillars of NCDEX Ltd and its role**

The NCDEX facilitating an integrated ecosystem through its group. The four companies are offering specialized and holistic services to investors. Online commodities spot market and services offered by NeML (NCDEX e-Market Limited), recently online spot delivery platform for private buyers and sellers also launched. All electronic record keeping warehouse receipts and negotiation of receipts done by the NERL (National E-Repository Limited). All clearing and settlement services provided by NCCL (National Commodity Clearing Limited) and finally, any organization to survive in future research is important, for this purpose NERL established. Research, training and awareness programs on agriculture commodities given by NERL (NCDEX Institute of Commodity Markets and Research). That’s way (holistic services) these four subsidiaries of NCDEX, we called as four pillars of NCDEX.

**Chart-6.1: Four Pillars of NCDEX**



**Source:** NCDEX Webinars



**6.1 NeML**

NCDEX e-Market Limited (NeML) it is the leading Indian electronic web based or online commodities spot market and services company. It was incorporated on October 18, 2006, headquartered in Mumbai. NeML is wholly owned subsidiary of NCDEX (majority owned by LIC, NABARD, IFFCO, PNB, Canara Bank and NSE). It is India’s leading fully integrated digital marketplace for all commodities and intangibles with a nationwide network. Since inception, NeML has an endearing relationship and works very closely with Central and various State Governments’ organisations and enjoys their trust to successfully deliver various G2B and B2G services across the country. NeML started off as NCDEX Spot Exchange Ltd., under the purview of the erstwhile Forward Markets Commission. It re-modelled its business in October 2010 to being a purely e-markets and services company and changed its name to NCDEX e Markets Ltd.

With a national presence, the company has pioneered breakthrough initiatives like mandi modernization program (MMP), e-pledge, and e- marketing. It works closely with its ecosystem partners to create efficient commodity markets and its services. NeML helps for farmers make more money and help discerning consumers get supplies on time. NeML is a self-regulated organization (SRO) working with in the frame work of existing rules and regulations.

**a. MMP**

Mandi Modernization Program (MMP) envisions to transform the regulated, fragmented Indian agricultural markets popularly known as APMC (Agricultural Produce Market Committee) markets or mandi into a single unified agricultural market leveraging its Unified Market Platform (UMP). It uses “one state one market” as the building block to achieve this vision. MMP made a beginning in the state of ‘Karnataka’, so that’s why the model is widely recognized as the “Karnataka Model” by various government and government entities. Impressed by the work done of NeML, Central government has adopted the principles as National Agricultural Market (NAM).

**b. E-Pledge**

E-Pledge helps in financial inclusion to help farmers and processors to get easy access to finance. NeML launched the electronic pledging of commodities deposited in the market accredited warehouses. NeML acts as facilitator to bring the warehouses, banks and clients under one electronic platform through its COMLIVE system.

**c. E-Marketing**

NeML facilitates FPOs (Farmer Producer Organisations) in buying or selling of the farmers produce using its trading platform. It has worked with more than 60 FPOs, benefiting more than 28,000 farmers in the states of Maharashtra, Gujarat, Rajasthan, Karnataka, Andhra Pradesh and Madhya Pradesh. It works closely with the institutions like Small Farmers Agri Business Consortium (SFAC) and Mother Dairy to help FPOs transactions.

**Milestones of NeML**

**Table-6.1: Milestones of NeML**

<b>Year</b>	<b>Milestones achieved by NeML</b>
2021	Launches ‘Krishivedh’, a first of its kind online spot delivery platform for private buyers and sellers in the country.
2020	NeKM (National e Kisan Mandi) NAFED initiative for setting up a national FPO markets. NeML delivered PRATYAY power exchange solution for PXIL.

2019	EPTS (Emission Permit Trading System) – An initiative for a leading State’s Pollution Control Board was powered by NeML. First online exchange for the trade of particulate emissions in the country.
2018	NeML initiated for trade funding with various NBFCs.
2017	NeML and NAFED – implemented digitization of the entire MSP procurement process under e-samridhi solution to benefit farmers across India. DBT implemented succusses fully.
2016	Start working with NAFED-to dispose the pulses procured under MSP scheme.
2015	Renaming of NCDEX SPOT Exchange as NCDEX e-Markets Ltd (NeML).
2014	Formation of ReMS: NCDEX Spot Exchange and Govt. of Karnataka formed a JV company Rashtriya e-Markets Services Ltd. To modernize the mandis across the state.
2013	NCDEX SPOT executed first ground level procurement of Tur in the State of Karnataka for Tur Board.
2012	Started working with state Govt. of Karnataka for implementation of social welfare schemes.
2011	MMTC: Added another customer in MMTC, for sale of imported pulses in the country though NCDEX SPOT Exchange.
2010	PEC: First engagement for sale of imported sales in the country though NCDEX SPOT Exchange.
2008	Go Live: Started work on building blocks for NCDEX SPOT Exchange.
2006	The company incorporated and registered as NCDEX SPOT Exchange Limited.

**Source:** Collected from NeML and tabulated by the researcher

## 6.2 NICR

NCDEX Institute of Commodity Markets and Research (NICR) is a subsidiary of the National NCDEX. It was incorporated on 18th September 2007 under the Section 25 of the Companies Act, 1956 as a non-profit company. It is committed to promoting research and awareness in commodity markets. Lack of credible research, market information, data and intelligence results are not good, to overcome this problem is the main objective of NICR. It can provide its research to explore the commodity market ecosystem with a focus on increasing the understanding of derivatives market to widen and deepen the participation from all stakeholders.

### The major areas of research are:

- Assessment of the efficiency and performance of the commodity derivatives market with reference to specific commodity groups, with a view to diagnosing the causative factors of market imperfections, both in the Spot and Futures markets.
- Assessment of the participation of the farmers, especially the evaluation of alternate aggregation models and evaluation of the impact of agricultural futures on agricultural production and incomes.
- Study of the relationship between the spot and futures markets, including the impact of futures on spot price variability, as well as linkages between the domestic and international spot and futures markets.

### Commodity profile in NICR as follows

**Table-6.2.1: Commodity Profile in NICR**

Cereals and Pulses	Chana, Barley, Bajra, Wheat, Moon, Maize feed industrial grade, Paddy (Basmati)- Pusa 1121.
Oil and Oil seeds	Castor seed, Cotton seed oil cake, Soyabean, Refined Soy oil,

	Mustard seed, Crude Palm oil, Natural whitish sesame seeds, Hipro Soyabean meal.
Fibres	Kapas, 29 MM Cotton.
Soft	Gur (Feed grade).
Spices	Turmeric, Jeera, Coriander.
Guar Complex	Guar seed 10MT, Guar gum refined splits.
Index Products	AGRIDEX, GUAREX, SOYDEX.
Metals	Steel long.

**Source:** Collected from NICR and tabulated by the researcher

NICR also have collaborations with various corporates, educational institutions, state governments and NGOs for capacity building and training initiatives in the areas of modern agriculture markets, price risk management through agriculture derivatives market and its socio-economic benefits for farmers and the nation.

### 6.3 NERL

NERL (National E-Repository Limited) provides platform for issuing negotiable warehouse receipts for commodities in electronic form. NERL, the Commodity Repository in India incorporated in February 2017 and has received the ‘Letter of Intent (LoI) in December 2016 from WDRA (Warehousing Development and Regulatory Authority) but commenced its operations in September 2017. India had a vibrant commodity market which is more than a century old, bad delivery, mutilation, duplication etc are problems of the paper-based warehouse receipts. Formulation of Warehousing Development and Regulation Act, 2007 and thereafter Warehousing Development and Regulatory Authority (WDRA) in October 2010 was done to exercise the powers conferred on and to perform the functions assigned to it under the Act, for development and regulation of warehouses, negotiability of warehouse receipts and promote orderly growth of warehousing business. In October 2016 WDRA came out with Guidelines for Creation and Management of Electronic Negotiable Warehouse Receipts (ENWRs), the enabling provisions of the guidelines seek to establish a system for creation and management of ENWRs through registered Repositories, paving the way for establishment of NERL.

#### Scope of a Repository

- Creation and storage of all e-NWRs.
- Transfer of e-NWRs between users of the repository.
- Security and authenticity of e-NWRs information.
- Give secure access to manage and view the e-NWRs.
- Provide a controlled infrastructure to avoid duplication of e-NWRs.
- Allow pledging, sale and lock-in of e-NWRs.
- Provide real-time notification to the holder of e-NWRs, warehouseman and pledge holders.
- Inter-operability with other licensed repositories.
- Display any regulatory information that WDRA may require for dissemination to users of the repository.

### 6.4 NCCL

National Commodity Clearing Limited (NCCL) is a wholly owned subsidiary of the NCDEX. It is responsible for clearing and settlement services of all trades executed on the exchange and is committed



to provide a robust and transparent risk management platform for the collective benefit of the agriculture ecosystem. NCCL is the clearing and settlement agency for all deals executed on NCDEX. It shall guarantee settlement of all trades executed on NCDEX by assuming the counter party risk of the clearing members for all the trades done on NCDEX. All trades executed on a trading day, shall be cleared and settled on a netted basis for daily settlement and gross basis for delivery settlement by NCCL to determine the settlement obligations for all clearing members. A Clearing Member (CM) of NCCL has the responsibility of clearing and settlement of all deals executed by Trading Members (TM) on NCDEX, who clear and settle such deals through them.

#### **6.4.1 Clearing and Settlement process**

Clearing refers to the process of accounting to update and reconcile obligations or payments of the parties involved in the trade. Settlement process involves matching the outstanding buy and sell instructions, by transferring the commodities ownership of commodities are settled on delivery-versus-payment (DVP) basis by netting at a client level to reduce the number of settlement transactions as part the clearing process. Clearing and settlement process has been automated at all the exchanges and broadly involves the following steps:

1. Trade details are transmitted from commodity exchange to clearing corporation on real time basis.
2. Trade details are notified by the clearing corporation or clearing house to compute obligations of trading members.
3. Obligations and pay-in advice of funds are communicated to clearing members.
4. Instructions are issued to clearing banks to make funds available by the pay-in time.
5. Pay-in of funds for the executed trades are carried out by clearing banks by debiting the account of the clearing members and crediting clearing corporation account for the amount due to them.
6. Pay-out of funds is done based on the instructions of the clearing corporation to clearing banks to credit account of clearing members by debiting its account, wherever applicable.

#### **Entities involved in the clearing and settlement process**

These are the key entities involved in the clearing and settlement process:

- a. Clearing corporation
- b. Clearing members
- c. Clearing Banks
- d. Custodial Services or Repositories
- e. Warehouse
- f. Electronic-Registry for Warehouse Receipts

#### **a. Clearing Corporation**

Clearing corporation undertakes post-trade activities such as clearing and settlement of trades including risk management executed on a commodity exchanges. The clearing corporation works include:

- Collects different types of margins prescribed by the commodity exchanges.
- Compute obligations of members.
- Arranges for pay-in and pay-out of funds.
- Assumes the counter party risk of each member and guarantees financial settlement.
- Arranges for physical delivery of goods, wherever applicable.

#### **b. Clearing Members**

Clearing member is a member of the commodity exchange who is permitted to clear trades directly with

the clearing corporation and is allowed to accept trade for other clearing members and non-clearing members to settle on their behalf. Clearing members are Trading cum Clearing Members (TCM) and Professional Clearing Members (PCM). All the fund movements to and from the clearing corporation are made through the designated settlement account, which is used exclusively for clearing and settlement operations.

#### **c. Clearing Banks**

Clearing banks play an important role in the smooth transfer of funds between the clearing members and clearing corporation to effect settlement of funds. NCCL has empanelled 12 clearing banks. The clearing banks communicate the status of fund flow in respect of each trading and clearing member to the clearing house to facilitate monitoring.

#### **d. Custodial Services or Repositories**

WDRA has recognized NERL (National E-Repository Limited) and CDSL (Central Depository Services Limited) as approved repositories for electronically maintaining records of warehouse goods which can also be used for clearing and settlement of trades on exchanges.

#### **e. Warehouses**

In order to facilitate the physical delivery of commodities, it is imperative to have a wide and reliable network of warehouses at the delivery centres. This is especially important in case of agricultural commodities given that they are of a perishable nature and proper handling is required. For this purpose, different types of warehouse structures maintained like dry warehouse, cold storage and silo. The national commodity exchange does not own or hire any warehouse for the purpose of settlement of the contracts that require to be settled by the physical delivery of commodities. As per SEBI Regulations, only WDRA registered warehouses can be used by exchange empanelled WSPs (Warehouse Service Providers) for storing goods which are meant for settlement of trades on exchanges.

#### **f. Electronic-Registry for Warehouse Receipts**

A warehouse receipt is a document of title to goods issued by a warehouse service provider to a person depositing commodities in the warehouse, evidencing storage of goods. A warehouse receipt is capable of endorsement and delivery. As per the WDRA Act, 2007 negotiable warehouse receipts can be in both paper and electronic form. The electronic warehouse registry system of the WDRA will enable multiple transfers without physical movement of goods.

### **Conclusion**

NCDEX is one of the biggest and oldest commodity derivative exchange in India after MCX. NCDEX taken many initiatives from its incorporation for itself to become a strong commodity exchange and investors trading mechanism. Exchanges performance and future of exchange mainly depends upon its trading facilities, clearing and settlement, repository and also research and training. NCDEX is the only exchange, providing this type of all integrated services are from its own subsidiaries. The four subsidiaries are co-ordinately providing a well-integrated (holistic) services to NCDEX. These all subsidiaries are played a major role in NCDEX, to become an India's largest agriculture derivative exchange with a market share of 75 percent in agriculture derivative contracts in the year 2021. To this end, four subsidiaries of NCDEX are called as four pillars of NCDEX.

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