

# The New Face of Commodity Market

National level, Institutionalized, Transparent Electronic Spot Market

Agriculture | Bullions | Metals | Energy | Minerals | @-Series



Electronic Spot Market

## About National Spot Exchange Ltd.

### Quick Facts

₹ **217643.13** crore

Turnover  
(Apr'12-Dec'12)

**16** Indian States

Geographical Presence

**184**

Delivery Centres

**50**

Commodities Offered

**7**

@-Series Products

**582** Spot

**59** Forward Auction

**2** Reverse Auction

Commodities Contracts

**789**

Members

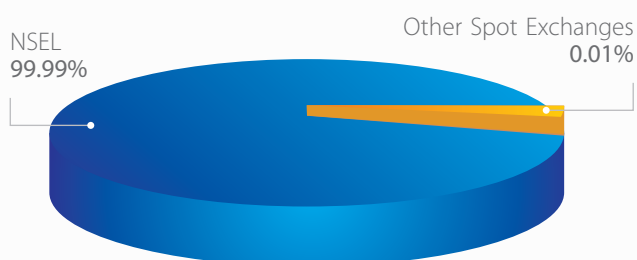
(including leading Government agencies  
such as MMTC, PEC, Cotton Corporation of India,  
STC, NAFED, FCI, APMD, Rajfed, AP Markfed)

**National Spot Exchange Ltd. (NSEL)** is the national-level, institutionalized, electronic, transparent spot trading platform for commodities. It is a structured market place, set-up to transform the commodity market by way of reducing the cost of intermediation and, thereby, improving marketing efficiency. Its state-of-the-art technology facilitates risk-free and hassle-free purchase and sale of various commodities. NSEL provides others, customized solution to farmers, traders, processors, exporters, importers, arbitrageurs, investors and other stake holders, pertaining to commodity procurement, storage, marketing, warehouse receipt financing, etc.

NSEL commenced "Live" trading on October 15, 2008. At present, NSEL is operational in 16 states in India, providing delivery-based spot trading in 50 commodities.

In 2010, NSEL added a new dimension to commodity market by introducing investment products in commodities in demat form. For the first time in the history of Indian commodity market, NSEL launched a series of unique investment products, known as "@-Series" instruments. @-Gold, the first product under @-Series umbrella, was launched on March 17, 2010. @-Series products provide an opportunity to small investors to invest in physical commodities (e.g. Bullion) in smaller denomination in demat form. This segment is similar in functionality to the cash segment in Equities.

### TOTAL MARKET SHARE



April 2011-March 2012  
Sources: Respective exchange websites

## Mission

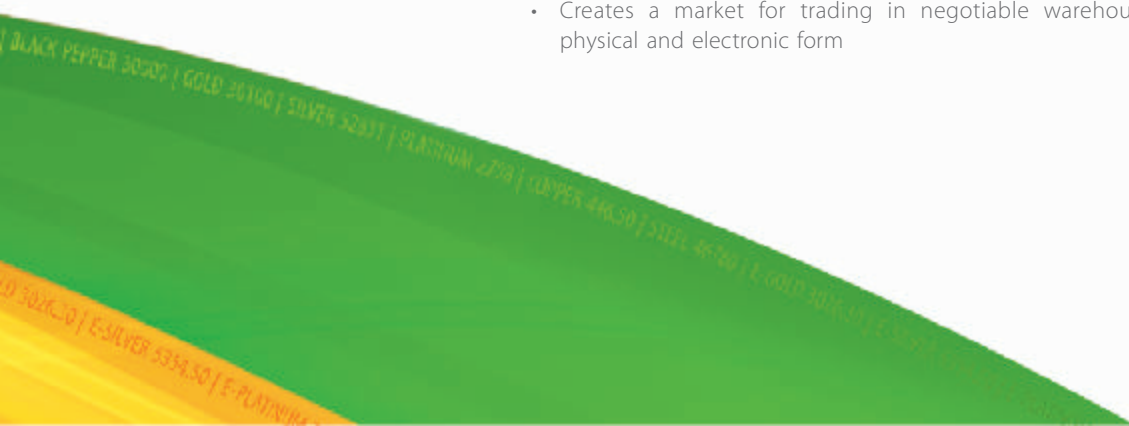
To develop a pan-India, institutionalized, electronic, transparent common Indian market offering compulsory delivery-based spot contracts in various agricultural and non-agricultural commodities. With a view to reduce cost of intermediation by improving marketing efficiency and, thereby, improving producers' realization coupled with reduction in consumer paid price.

## Objectives

The main objective of NSEL is to develop a vibrant electronic spot market in various commodities and to offer a value proposition to different segments of the commodity ecosystem. The idea is to reduce cost of intermediation and create an electronic linkage between buyers and sellers across the country. The Exchange provides counterparty guarantee in terms of quantity, quality and payment. Hence, the participants get a safety net against credit risk and counterparty default.

### USPs OF NSEL

- Provides an effective method of spot price discovery in various commodities in a transparent manner
- Provides a market where farmers/producers/importers/Government companies can sell their commodities and realize proceeds at the best prevailing price in a risk-free manner
- Offers a market where the processors, end-users, exporters, corporates (both private and Government) and other upcountry traders can purchase commodities at the most competitive price without any counterparty and quality risk
- Provides investment instruments in commodities for retail investors and HNIs
- Offers a transparent market where financiers, investors and arbitrageurs can invest money in buying various commodities across the country without going through the physical market hassles
- Provides authentic spot price of various commodities that can be used by the futures market as the benchmark price for settlement of their contracts on the date of expiry
- Helps the futures exchanges, Forward Markets Commission (FMC) and the Government in achieving the target of compulsory delivery in all agricultural produce by way of creating a linkage between physical market and futures market
- Promotes grading and standardization of agricultural produce and facilitates warehouse receipt financing to farmers and traders by the financial institution
- Creates a market for trading in negotiable warehouse receipts, both in physical and electronic form



## Regulatory Framework

NSEL commenced operation pursuant to the Gazette Notification dated June 5, 2007 issued by the Ministry of Consumer Affairs, Food and Public Distribution, Government of India, allowing it to conduct trading in commodities. Subsequently, the Government has issued Office Order dated February 6, 2012 to appoint FMC as the monitoring agency to overview the functioning of National Spot Exchange. In compliance with the conditions of the Gazette Notification, NSEL submits relevant reports, returns and information to the Forward Markets Commission (FMC).

In addition, NSEL obtains licenses from State Governments under respective State APMC Acts, where it intends to launch Farmers Contracts for agricultural commodities.

NSEL has hitherto obtained licenses from the following State Governments:

Government of  
**MAHARASHTRA**

The Director, Agricultural Marketing & Rural Finance, Government of Maharashtra, has granted license to NSEL as Private Market under the State APMC Act

Government of  
**KARNATAKA**

The Director of Agricultural Marketing, Government of Karnataka, has issued license to NSEL for establishment of Spot Exchange in the State of Karnataka under the State APMC Act

Government of  
**MADHYA PRADESH (MP)**

The Managing Director, MP State Agricultural Marketing Board, Government of Madhya Pradesh, has granted license to NSEL as an Exchange under the State APMC Rules for establishing electronic trading facilities in MP

Government of  
**GUJARAT**

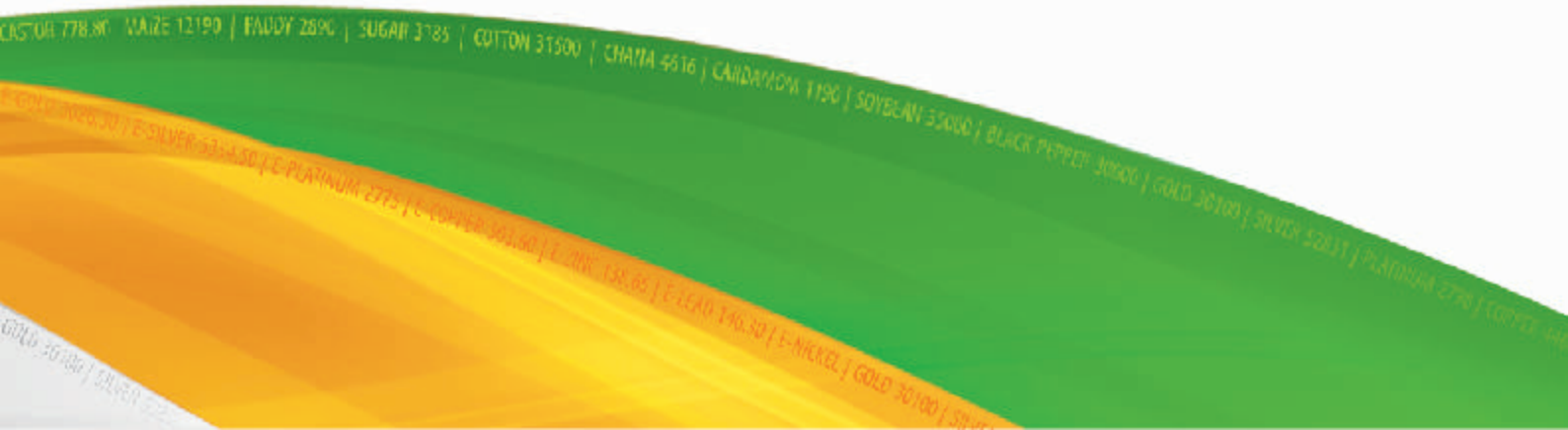
The Director of Agricultural Marketing & Rural Finance, Government of Gujarat, has granted license to National Spot Exchange as "E-Market" under the State APMC Act

Government of  
**ORISSA**

The Director, Agricultural Marketing, Government of Orissa, has granted license to NSEL as a "Private Market" under the State APMC Act

Government of  
**RAJASTHAN**

The Director, Agriculture Marketing,  
Government of Rajasthan, has granted license  
to NSEL under the State APMC Act as a Private  
Sub E-Market



## Milestones & Strategic Alliances

2005	<b>MAY</b> : Incorporated as a company limited by shares under the Companies Act, 1956
2007	<b>MAY</b> : MoU with Govt. of Madhya Pradesh, for developing electronic market facilities in Madhya Pradesh <b>JUN</b> : Recommendation by the Ministry of Agriculture, Govt. of India about NSEL project : Issuance of Gazette Notification by the Ministry of Consumer Affairs, Govt. of India under Section 27 of the FCRA, 1952 <b>OCT</b> : Issuance of license by the Govt. of Gujarat under Gujarat APMC Act <b>NOV</b> : Signed an MoU with IL&FS for common service centers being setup under National E-Governance Project to be connected to NSEL project : Signed an MoU with Govt. of Rajasthan
2008	<b>JAN</b> : Issuance of license by Govt. of Maharashtra <b>MAY</b> : Issuance of license by Govt. of Karnataka for setting up spot exchange in the State of Karnataka <b>JUN</b> : Signed an MoU with the Gujarat Agro-Industries Corporation Ltd. (GAIC) to create a strategic alliance for development of agri-business and providing an electronic market platform in the State
2009	<b>JAN</b> : Commenced cotton procurement in Andhra Pradesh under Price Support Scheme (PSS) operation on behalf of Nafed <b>JUN</b> : Signed an MoU with the Maharashtra State Agriculture Marketing Board, to create linkage between rural Primary Agricultural Cooperative Societies' (PACS) godowns and spot market facilities <b>SEP</b> : Signed an MoU with Govt. of Orissa, for developing electronic market facilities in Orissa
2011	<b>JAN</b> : Signed an MoU with Govt. of Gujarat under "Vibrant Gujarat 2011" <b>FEB</b> : Received Shariah certification for @-Gold, @-Silver and @-Copper
2012	<b>JAN</b> : FOW Awards for "Best Innovation by an Exchange in the Field of Product Design" : Golden Peacock Innovative Products/Service Award (2011) in the commodity exchange sector <b>FEB</b> : Received Shariah certification for @-Lead, @-Zinc and @-Nickel <b>APR</b> : Launched @-Platinum under its investment product category @-Series <b>JUL</b> : Honored with the 'Golden Peacock Eco-Innovation Award, 2012' for the commodity exchange category in New Delhi <b>SEP</b> : Western Ghats Agro Growers Ltd. (WGAGL), Joint initiative of Kerala farmers and NSEL was inaugurated by the Honorable Chief Guest Prof K. V. Thomas, Minister of State for Consumer Affairs, Food and Distribution in Kerala. <b>NOV</b> : Signed an MoU with Belarusian Universal Commodity Exchange (BUCE), the largest Commodity Spot Exchange in Republic of Belarus for developing bilateral deals between India and Eastern European countries, especially Republic of Belarus, Russia, Ukraine, Kazakhstan.





## Services Offered

- Electronic spot trading facility in various commodities with specific delivery Centres
- Trading in Commodity-based Investment instruments in demat form
- Grading, quality certification and standardization of commodities
- Facilitating Collateral financing against warehouse receipts
- Customized services relating to storage, transportation, logistics and shipment
- Procurement services to Corporates and Government agencies
- Electronic auction of various commodities on behalf of FCI, MMTC, etc.
- Scientific storage of commodities with warehouse receipt financing

## Benefits

NSEL offers significant benefits to various stakeholders of the commodity ecosystem, such as farmers, traders and the Government among others.

FARMERS	GOVERNMENT	TRADERS
<ul style="list-style-type: none"> <li>• Enables seamless connect to the national market to ensure sale of marketable surplus</li> <li>• Provides better price discovery and realization</li> <li>• Empowers farmers to quote desired selling price, which is not available in mandi auction system</li> <li>• Enhances bargaining power due to availability of alternative marketing channel</li> <li>• Promotes grading and standardization at farm gate, leading to grade and quality-based price realization</li> <li>• Increases holding capacity due to availability of warehouse receipt financing</li> </ul>	<ul style="list-style-type: none"> <li>• Enables better realization of cess as NSEL submits a statement of all physical deliveries to the authorities</li> <li>• Enables Govt. companies to enhance price realization by conducting auction of commodities through NSEL platform</li> <li>• Promotes agro-industrial processing and exports as uninterrupted supply of raw materials is assured through NSEL</li> <li>• Enables creation of important trading hubs that generate direct and indirect employment</li> <li>• All the aforementioned objectives are achieved without any significant cost to the exchequer</li> </ul>	<ul style="list-style-type: none"> <li>• Provides a wider and liquid market, where huge quantities can be traded</li> <li>• Eliminates counterparty risk, credit risk, and risk relating to rejection at buyer's godown at the time of delivery.</li> <li>• Ensures elimination of post-trade risks</li> <li>• Provides easy access to bank finance against warehouse receipts</li> <li>• Provides a grading system for effectively using the futures market for managing their risks</li> <li>• Offers opportunities to expand activities to multiple commodities with operational ease.</li> </ul>



# Operations

## TRADING

NSEL provides an online, screen-based trading system, which can be accessed through VSAT, leased line or internet. The Exchange conducts trade through daily expiry commodities contracts. The positions outstanding at end of the day result into compulsory delivery. However during the day, the transactions of offsetting nature are netted off and delivery is effected only with respect to the net quantity outstanding at end of the day. Terms relating to quality specifications, place of delivery, date of delivery and other conditions are specified by the Exchange in advance. All contracts executed on the system are based on such terms only. Market remains open from 10:00 am to 11:30 pm.

## DELIVERY, CLEARING AND SETTLEMENT

All trades executed during the day are netted off at the close of market hours as per the weighted average price of the last 30 minutes. The profit/loss arising thereon is settled on the basis of Mark-To-Market (MTM) on either the same day or next day depending on the contract condition. The net sellers have to give delivery by way of depositing goods in the Exchange designated warehouses/storage tanks as specified in the Circular. The buyer's account is debited by the Exchange and delivery order is issued to him after ensuring that payment is complete. Thereafter, payout is credited to the seller's account.

In case the seller/buyer fails to honor his delivery obligation, the position is auctioned/closed out at the risk and cost of the defaulting party.

## RISK MANAGEMENT, MARGINING AND SURVEILLANCE

The Exchange uses various tools for risk management, margining and surveillance to ensure market integrity. All positions outstanding in the market are subject to margin payable by both buyers and sellers. However, margin is not applicable on the sellers who have deposited goods in the Exchange-designated warehouses and pledged with the Exchange.

## SETTLEMENT GUARANTEE FUND

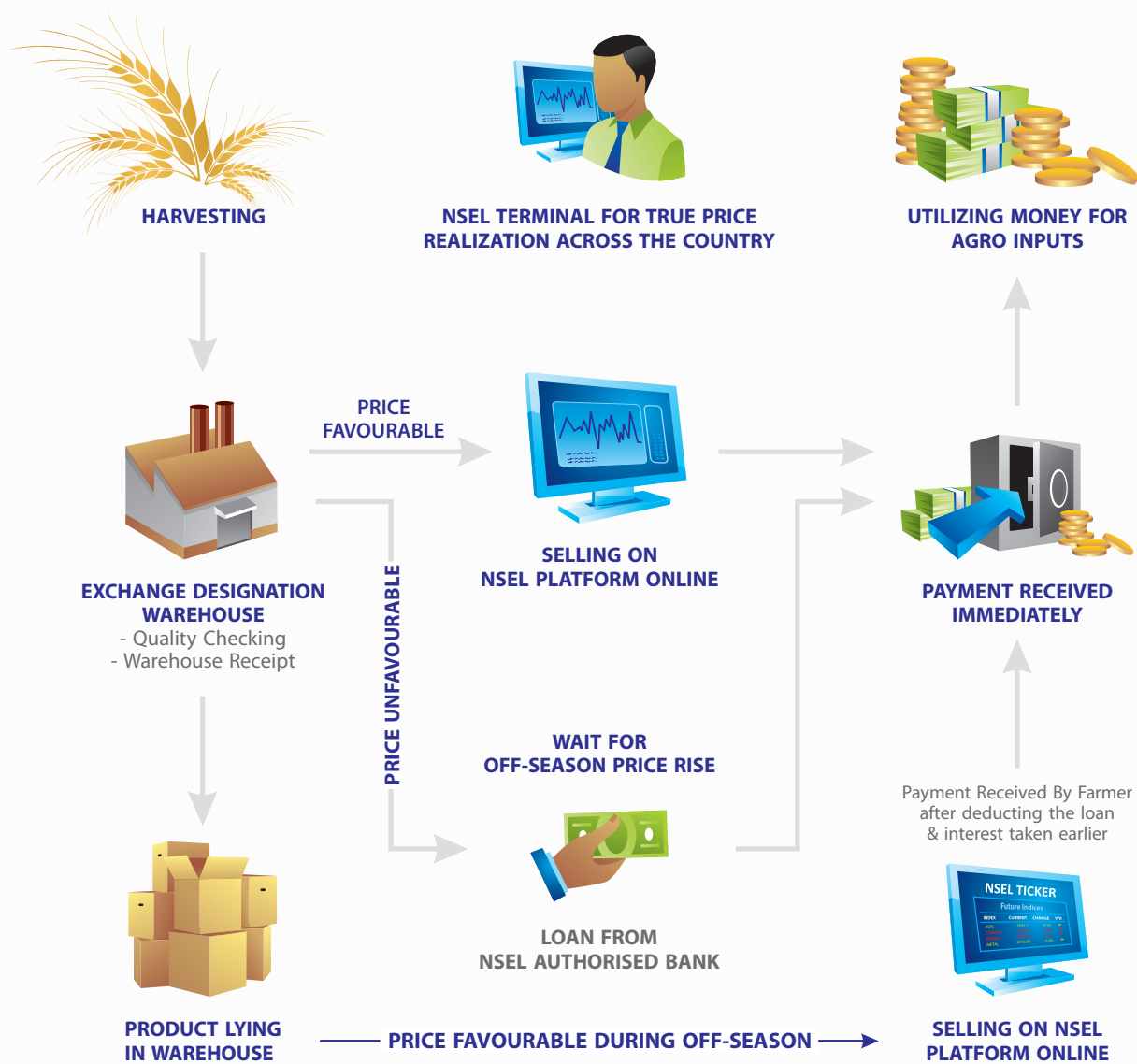
The Exchange guarantees performance of all contracts executed on the Exchange platform. For this purpose, the Exchange maintains a settlement guarantee fund. Notwithstanding default of any member, payout is honored as per the Exchange schedule.

## TECHNOLOGY

NSEL has the strategic advantage of having Financial Technologies (India) Ltd. (FTIL), as its technology partner for delivering technologically advanced solutions to market participants. FTIL has provided a robust technology platform to multiple domestic and international Exchanges. The Exchange uses a client server application, which can be accessed through VSAT, leased line, Internet as well as mobile phones. The hardware hosting the trading and surveillance applications are fully fault tolerant systems with zero redundancy.



Operational Flow chart regarding  
**Use of NSEL platform by a Farmer**



778.80 | MAIZE 12190 | PADDY 2890 | SUGAR 3185 | COTTON 31500 | CHANA 4616 | CARDAMOM 1190 | SOYBEAN 35000 | GOLD 30160 | SILVER 52831 | PLATINUM 2798 | COPPER 446.50 | STEEL 46780 | CASTOR 778.80 | MAIZE 12190 | PADDY 2890 | SUGAR 3185 | COTTON 31500 | CHANA 4616 | CARDAMOM 1190 | SOYBEAN 35000 | GOLD 30160 | SILVER 52831 | PLATINUM 2798 | COPPER 446.50 | STEEL 46780 | E-GOLD 3026.30 | BLACK PEPPER 1000 | SILVER 52831 | PLATINUM 2798 | COPPER 446.50 | STEEL 46780 | CASTOR 778.80 | MAIZE 12190 | PADDY 2890 | SUGAR 3185 | COTTON 31500 | CHANA 4616 | CARDAMOM 1190 | SOYBEAN 35000 | GOLD 30160 | SILVER 52831 | PLATINUM 2798 | COPPER 446.50 | STEEL 46780 | E-GOLD 3026.30 | BLACK PEPPER 1000



# Products

On NSEL platform, commodities are traded in a structured and well-documented contract form having a standard quality specification. All contracts are of single day duration having different settlement cycles depending upon the commodity and market practices.

Commodities traded on NSEL include agricultural commodities, bullions, metals, energy and minerals. The Exchange also facilitates trading in coal and Iron Ore. It has also introduced "Q-Series" investment products catering to retail investors. NSEL also plans to introduce industrial products in near future.

## TYPES OF CONTRACTS

### FARMER'S CONTRACT

These are mandi cess unpaid contracts in agricultural commodities, which are traded in small trading lots (such as 1 bag) to enable small and marginal farmers to sell their produce directly on the pan-India platform without any intermediation.

### TRADER'S CONTRACT

These are mandi cess-paid contracts in agricultural commodities, which are traded in multiples of truck loads (such as 10 MT). These contracts enable traders to access NSEL platform to sell their stocks in a risk-free and hassle-free manner.

### FORWARD AUCTION CONTRACTS

These are specific contracts that serve the needs of specific sellers and enable them to electronically auction their produce on NSEL platform. This also enhances their price realization due to competitive bidding and brings transparency in the auction process. Most of the Government companies such as FCI, Hafed, Nafed, MMTCL, PFC, etc. use this mechanism to sell various commodities on NSEL platform.

### REVERSE AUCTION CONTRACTS

These are specific contracts that serve the needs of specific buyers and enable them to procure raw materials at the lowest possible price through competitive offers from large number of sellers.

## Commodities Offered

NSEL provides a platform for trading in multiple commodities with multiple contracts. It also provides trading in such commodities, which are traded on futures exchanges. This has enabled seamless process of cash future arbitrage, enabling investors to buy Exchange-certified deliveries. Besides, there are some customized contracts to meet the specific requirements of an institutional buyer or institutional seller. It has also launched a number of farmers' contracts to provide a service to the small and marginal farmers, where it does not charge transaction fee from small and marginal farmers. As on Dec 31, 2012, the Exchange offers trading in 50 commodities.

Commodity	Delivery Centres
1. Arecanut	Shimoga, Channagiri (Karnataka)
2. Bajra	Jaipur (Rajasthan), HAFED Warehouse (Haryana)
3. Barley	Jaipur, Chomu, Sikar, Srimadhampur (Rajasthan)
4. Basmati Rice (or Rice)	Jakhal, Ratia, Raina - HAFED Warehouse (Haryana), Ludhiana (Punjab)
5. Basmati Paddy (or paddy)	Karnal, Nilokhari, Thanesar, Ladwa, Pehowa, Sirsa, Ismailabad - HAFED Warehouse (Haryana), Warangal (AP), Ludhiana, Khamanon (Punjab)
6. Black Pepper	Vandanmedu (Kerala), Saharanpur (Uttar Pradesh)
7. Cardamom (Oil type & Splits)	Vandanmedu (Kerala)
8. Castor Seed	Palanpur, Kadi, Jagana, Mehsana, Patan, Chandisar, Visnagar, Panthawada, Gandhidham, Sidhpur, Dhenera, Deesa, Harij, Vadali, Mundra, Himmatnagar, Deodhar, Thara, Khedbrama, Vadgam (Gujarat)
9. Castor Oil	Kandla (Gujarat)
10. Chana/Desi Chana	Delhi, Bikaner, Jaipur, Sri Ganganagar, Malpura (Dist. Tonk) (Rajasthan), Ganj Basoda, Vidisha, Guna (Madhya Pradesh), Osmanabad, Jalgaon (Maharashtra), Gadag (Karnataka)
11. Chana Kantawala/ Chana Kabuli	Indore (Madhya Pradesh), Jalgaon (Maharashtra)
12. Coal	Mangalore (Karnataka)
13. Copra	Tiptur, Arsikere & Tumkur (Karnataka)
14. Coriander	Guna (Madhya Pradesh)
15. Copper	Demat (e-Copper), Delhi
16. Cotton (Bales & Kapas)	Mumbai, Yavatmal-Arni, Gunj, Darwha, Wani, Digra, Nagpur-Narkhed, Wani, Kalameshwar, Amravati-Achalpur, Chandur, Akola-Telhara, Murtijapur, Khamgaon, Dhule, Balapur, Barshi Takli, Jalgaon-Raver, Erandol, Dharangaon, Pahur, Parola, Amalner, Aurangabad-Sillod, Beed -Georai, Sonpet, Parli, Ashti, Kaij, Buldana-Malkapur, Nandura, Deulgaon Raja, Hingoli-Aundha Nagnath, Jalna-Ambad, Jafrabad, Parbhani-Selu, Nanded-Bhokar, Dharmabad, Ardhapur, Wasim-Karanja, Nisik-Shirpur, Osmanabad, Nandurbar, Kolhapur, Solapur, Latur, Aurangabad-Vaijapur (Maharashtra), Himmatnagar, Rajkot (Gujarat), Adilabad, Nizamabad, Khammam (Andhra Pradesh)
17. Cottonseed Wash Oil	Kadi, Tramba (Gujarat), Shamshabad (Hyd) (Andhra Pradesh)
18. Gold	Ahmedabad, Rajkot (Gujarat), Mumbai (Maharashtra), Kolkata (West Bengal), Hyderabad, Vijayawada (Andhra Pradesh), Chennai, Coimbatore (Tamilnadu), Jaipur (Rajasthan), Delhi, Indore (Madhya Pradesh), Patna (Bihar), Bangalore (Karnataka)
19. Groundnut	Jaipur, Bikaner, Jodhpur (Rajasthan), Maliya Hatina (Gujarat)
20. Guar Seed	Bikaner, Jaipur (Rajasthan), Hissar, Sirsa, Adampur (Haryana), Deesa, Chandisar (Gujarat)

Commodity	Delivery Centres
21. Guar Gum	Jodhpur (Rajasthan)
22. Jeera (Cumin Seed)	Jodhpur (Rajasthan)
23. Lead	Demat (@-Lead)
24. Tur (Lemon, Malavi, Whole, Split Redgram)	Mumbai, Jalgaon (Maharashtra), Chennai (Tamilnadu), Ex-Godown Tandur, (Andhra Pradesh)
25. Maize	Maheshkhoot (Bihar), Jalgaon, Khopate near Uran (Maharashtra), Umerkote (Orissa), Davangiri (Karnataka), Kota (Rajasthan)
26. Masoor/Lentil	Kolkata (West Bengal), Mumbai (Maharashtra)
27. Moong (Green Gram)	Mumbai, Jalgaon (Maharashtra)
28. Mustard Oil	Jaipur (Rajasthan)
29. Nickel	Demat (@-Nickel)
30. Pig Iron	Jajpur (Odisha)
31. Platinum	Demat (@-Platinum), Ahmedabad, Jaipur, Delhi, Hyderabad, Mumbai
32. Rajma (Kidney Bean)	Ex-Godown (Andhra Pradesh)
33. Red Chilly	Saharanpur (Uttar Pradesh), Khammam (AP)
34. RBD Palmolein	Mundra, Kandla (Gujarat), Kakinada (AP)
35. RM Seed (Mustard Seed)	Jaipur, Jodhpur, Kota, Baran (Rajasthan), Narnaul, Rewari (Haryana)
36. Silver	Ahmedabad, Rajkot (Gujarat), Mumbai, Solapur, Kolhapur (Maharashtra), Kolkata (West Bengal), Hyderabad (Andhra Pradesh), Chennai (Tamilnadu), Jaipur (Rajasthan), New Delhi (Delhi), Demat (@-Silver)
37. Soybean	Ganj Basoda, Vidisha (Madhya Pradesh), Jalgaon, Nandurbar (Maharashtra), Kota, Pratapgarh, Baran (Rajasthan)
38. Soybean DOC	Kota (Rajasthan)
39. Soybean Oil (Crude)	Kota (Rajasthan)
40. Soybean Oil (Refine)	Shamshabad (Hyd) (Andhra Pradesh)
41. Steel & Steel TMT	Raipur (Chhattishgarh), Jharsuguda (Orissa), Kurnool (AP), Mumbai (Maharashtra)
42. Sugar	Kolhapur (Maharashtra), Patna (Bihar), Kolkata (West Bengal), Ex-HAFED SUGAR MILL ASSAND, Ambala (Haryana), Dadariya, Dist. Vapi (Gujarat)
43. Sunflower Seed	Jalgaon (Maharashtra)
44. Sunflower Oil	Shamshabad (Hyd) (Andhra Pradesh)
45. Urad (Black Mapte) FAQ	Mumbai, Jalgaon (Maharashtra)
46. Wheat	Rajkot (Gujarat), Jaipur, Chomu (Rajasthan), Delhi, Vidisha (Madhya Pradesh), Ex-Odisha, Jalgaon (Maharashtra)
47. Wool (Raw)	Ludhiana (Punjab)
48. Wool (Top)	Ludhiana (Punjab)
49. Yellow Peas	Mumbai (Maharashtra), Kolkata (West Bengal)
50. Zinc	Demat (@-Zinc), Delhi (Zinc Ingot)

## @-Series

### The Cash Segment of Commodities; Investment Products for Retail Investors

- For the first time in India, NSEL has introduced @-Series products in commodities for retail investors. These are investment products that enable investors to buy and sell commodities in demat form and hold them in their demat account.
- Retail investors now trade and invest in commodities like they do in equities. This is a unique market segment, which functions like the cash segment in equities, but offers commodities in the demat form in smaller denominations.
- The clearing and settlement, pay-in and pay-out mechanism is based on T+2 settlement cycle.
- @-Series products provide opportunity for intra-day trading, coupled with demat delivery in respect of positions outstanding at end of the day.
- NSEL has launched @-Gold, @-Silver, @-Copper, @-Zinc, @-Lead, @-Nickel and @-Platinum. NSEL will continue to add more commodities under this segment.
- Investors who wish to purchase @-Series products are required to open beneficiary accounts with NSEL-empanelled Depository Participants (DPs).
- National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), are the depositories for holding commodity units in the electronic form.

## Industrial Products

NSEL provides the facility to sell processed/manufactured industrial products on its platform. The producer company gets listing of its products on the NSEL platform through a formal agreement, specifying the rights and obligations. The primary objective of allowing branded products on the Exchange is to provide efficient marketability and mechanism to manage trading of the branded products. At present, Hindustan Zinc Ltd. sells silver bars mined and refined at its factory on the NSEL platform under such arrangement. Similarly, Neelachal Ispat Nigam Ltd. (NINL) Orissa sells Pig Iron produced in its mines, while MMTC sells branded gold coins on its platform.

#### **Advantages of selling industrial products on NSEL platform**

- Accessible by large number of buyers spread across the country
- Good market depth since it reaches every corner of the country
- Cost-effective method of electronic marketing with complete end-to-end solutions relating to trading, delivery and settlement
- Transparent price discovery process
- Elimination of counterparty risk

# Membership

Membership of NSEL is available to individuals, partnership firms, corporate houses, HUFs, cooperative societies and other legal entities. Membership is granted to such entities, which comply with all requirements relating to admission fee, security deposit, annual subscription, qualification/experience and net worth criteria.

Members can trade on their own account or on accounts of their clients. They can also appoint their sub-brokers, franchisees, authorized persons and remisiers. Members can also set up their branch offices and franchises. Members/brokers can charge brokerage or commission from their clients, as may be negotiated between them.

Corporate houses, willing to use NSEL platform for procurement or sale of commodities, can either become a member directly or can trade through any of the members of the Exchange.

## **MEMBERSHIP CATEGORIES**

### **TRADING-CUM-CLEARING MEMBER (TCM)**

TCM is a person/corporate who is admitted by the Exchange as a member, conferring upon him a right to trade and clear through the Clearing House of the Exchange, as a Trading-Cum-Clearing Member. TCM can appoint sub-brokers, franchisees, authorised persons and remisiers, as well as set up their branch offices. Members can charge brokerage or commission from their clients, as may be negotiated between them.

### **TRADING MEMBER (TM)**

TM is a person admitted by the Board who has the right to trade on his own account as well as on accounts of his clients, but has no right to clear and settle such trades himself. All such trading members must be affiliated with any one of the Institutional Trading-cum-Clearing Member (ITCM) or Professional Clearing Member (PCM), having clearing rights on the Exchange.

### **INSTITUTIONAL TRADING-CUM-CLEARING MEMBER (ITCM)**

ITCM is an institution/corporate which is admitted by the Exchange as a member, conferring upon it the right to trade and clear trades, as an Institutional Trading-Cum-Clearing Member. Further, the ITCMs can also appoint sub-brokers, authorized persons, and Trading Members, who would be registered as Trading Members on NSEL at the request of the ITCM. ITCM can clear and settle trades on behalf of the sub-brokers, authorized persons and such Trading Members, who are registered on NSEL at their request, subject to the terms and conditions specified by NSEL.

### **PROFESSIONAL CLEARING MEMBER (PCM)**

PCM is a Financial Institution, company or Bank admitted by the Exchange as a Professional Clearing Member, conferring upon it the right to clear and settle trades through the clearing house of the exchange, as a Professional Clearing Member. PCM is allowed to clear and settle trades of such members of the Exchange who choose to clear and settle their trades through such PCM. However, PCMs do not have trading rights.



## Board of Directors



**Mr. Shankarlal Guru**  
*Chairman*

Mr. Shankarlal Guru is a veteran in the field of agriculture and research and a National Award winner in agri-marketing. A lawyer by qualification, Mr. Guru, in his long-career, has chaired many committees formed by various Governments to ascertain the growth prospects and shortcomings in India's agricultural sector. He was the Chairman of the "Guru Committee" set up by the Government of India, which drafted the "Model APMC Act".

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**Mr. Jignesh Shah**  
*Founder Chairman & Group CEO,  
Financial Technologies Group*

Mr. Jignesh Shah is the Founder Chairman and Group CEO of the Financial Technologies Group. Mr. Shah is often credited as the 'Innovator of Modern Financial Markets' for his role in creating successful public-private partnership (PPP) model for building world-class financial institutions in emerging economies.

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**Mr. B. D. Pawar**  
*Director, CITA*

Mr. B. D. Pawar is known for his outstanding work in the agricultural sector. He is currently the Director of CITA (Centre for International Trade in Agriculture and Agro-based Industries). He has won many awards, including a National Award, for outstanding contribution to the development of agriculture and agri-marketing.

### Mr. Joseph Massey

*MD & CEO, MCX-SX*



Mr. Joseph Massey is currently the MD & CEO of MCX Stock Exchange (MCX-SX). During his 20-year long career, he has been associated with leading financial organizations such as Life Insurance Corporation of India, Reserve Bank of India, Stock Holding Corporation of India, the Vadodara Stock Exchange and Interconnected Stock Exchange (ICSE).

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### Mr. Shreekant Javalgekar

*MD & CEO, MCX*



Mr. Shreekant Javalgekar is currently the MD and CEO of MCX. Prior to this, he was the Director-Finance & Investor Relations at Financial Technologies (India) Ltd. (FTIL). He has over 30 years of experience in accounting, treasury and fund management. He has also been associated with Nexgen Financial Solutions, Lazard, L&T, Crompton Greaves and Toyo Engineering.

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### Mr. Ramanathan Devarajan

*Director, Financial Technologies (India) Ltd.*



Mr. Ramanathan Devarajan is a Director on the board of Financial Technologies (India) Ltd. He specializes in company statutory audits, internal audits, and personal and company taxation. He is also an expert in formation and audits/taxation of public charitable trusts. Mr. Devarajan is a Commerce graduate and a Chartered Accountant.



## Operations Team



**Mr. Anjani Sinha**  
*MD & CEO, NSEL*

Mr. Anjani Sinha is the MD and CEO of NSEL. He has over 21 years experience and deep knowledge of commodity and stock markets. A Chartered Accountant and Law graduate, he also holds an MBA and a Masters degree in Economics and Commerce. Mr. Sinha is a Director at MCX. He was CEO of MCX from 2003 to 2005. He has also been the Executive Director of Ahmedabad Stock Exchange during 2002-03.

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**Mr. Shashidhar Kotian**  
*Finance & Accounts*

Mr. Shashidhar Kotian is a Chartered Accountant and an MBA from National Institute of Business Management. He has over 11 years of experience with exposure in Finance, Accounts, MIS, Budgeting, Taxation, Audit and Corporate affairs.

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**Mr. Nirav Pandya**  
*Company Secretary,  
Legal & Compliance.*

Mr. Nirav Pandya is a Company Secretary and LLB by qualification. He has experience of over 11 years with exposure in Corporate Laws, Compliance and Legal matters. Prior to joining NSEL he was associated with Companies like Worldwide Media Pvt. Ltd. (Times - BBC joint venture) and KJMC Group of Companies.

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**Mr. Santosh Mansingh**  
*Market Operations*

Mr. Santosh Mansingh has over 17 years of experience in capital market and commodity market. He has been associated with Institutional segments and Retail segments in both capital market as well as commodity markets. He is pioneer in setting up various systems and processes in Custodial Segments, Depository Services, Risk Management & Settlements in different financial institutions and exchanges.



**Mr. Pradeep Kumar Mishra**  
*Product Development &  
Collateral Financing*

Mr. Pradeep Kumar Mishra is a post graduate in Agriculture Economics and Agri-Business Management from the National Institute of Agricultural Extension Management, Hyderabad. He has over 11 years of experience in commodities market and commodity exchanges, both futures and spot. He has handled various functions in commodities research, risk management, commodities finance & trade, product development, institutional sales and marketing.



**Mr. H. B. Mohanty**  
*Market Operations*

Mr. H. B. Mohanty has been associated with various stock exchanges and has an in-depth knowledge in the field of Exchange operations, Clearing and Settlement, Surveillance and Inspection. He also has wide exposure in the field of taxation and law. Mr. Mohanty is a Commerce Graduate from Utkal University, Orissa and a Post Graduate Diploma holder in Securities Laws from Mumbai University. He is actively associated with the Exchange since its conceptualization.



**Mr. Amit Mukherjee**  
*Business Development*

Mr. Amit Mukherjee has over 14 years of experience in the commodity trading and spot markets. He has in-depth knowledge about this sector owing to his eight year stint in tea industry where he was involved in trading, manufacturing and distribution of domestic as well as international tea brands. He is responsible for formulating strategies and strengthening business development at NSEL since 2005.



**Mr. Kalpesh Shah**  
*Business Development*

Mr. Kalpesh Shah, who handles business development for energy and mineral segment at National Spot Exchange Ltd. (NSEL), has extensive experience of over 20 years in Capital Market industry.

Prior to joining NSEL, Mr. Shah worked with Enam Securities Pvt. Ltd. as Head (Sales), wherein he was instrumental in setting up of equities desk and developing brokerage business with large domestic institutions & FIIs. Mr. Shah is a Commerce Graduate from N.M. College of Commerce and Economics



**Mr. Angshuman Purohit**  
*Business Development*

Mr. Angshuman Purohit holds an MBA in Finance and Marketing from XLRI. Prior to joining NSEL, he was Product Manager for non-precious metals segment at NCDEX for 4 years. He brought about many innovative developments in first-of-its-kind exchange-traded derivative on ferrous metals.

## Promoters



### Financial Technologies (India) Ltd. (FTIL)

- Financial Technologies (India) Ltd. (FTIL) is the flagship company of the Financial Technologies Group. FTIL is a global leader in creating and operating technology-centric, next-generation financial markets that are transparent, efficient and liquid, across multi asset classes, including equities, commodities, currencies and bonds, among others.
  - Its highly robust and scalable exchange and trading technology, coupled with deep domain expertise, gives it a decisive edge in driving mass disruptive innovation that is unmatched in financial markets. This uniquely positions FTIL as the creator of electronic, organized and regulated financial markets for new asset and investor classes that are either under-served or economically unviable to be served by traditional markets.
  - The Financial Technologies Group operates a network of 9 exchanges connecting fast growing economies of Africa, Middle East and South-East Asia as well as India. The Group also operates ecosystem ventures focused on addressing upstream and downstream opportunities in areas such as clearing and depository, information dissemination, warehousing and collateral management, payments processing and financial market education.
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### National Agricultural Co-operative Marketing Federation of India Ltd.

- The largest national-level farmers' co-operative having large number of farmers' societies spread across the country as its members
- A nodal agency appointed by the Central Government for carrying out MSP operation in pulses, oilseed and cotton
- A leading entity, engaged in procurement, sale, import, export, distribution and storage of agricultural commodities
- Registered under the Multi-State Co-operative Societies Act and has been set up with the objective to promote cooperative marketing of Agricultural Produce for the benefit of farmers







**Electronic Spot Market**

## **National Spot Exchange Limited**

**Regd Off.:** FT Tower, CTS No. 256 & 257, 4<sup>th</sup> Floor,  
Suren Road, Chakala, Andheri (East), Mumbai - 400 093.

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