

NCDEX (National Commodity Derivatives Exchange Limited)

The National Commodity & Derivatives Exchange Limited (NCDEX) is an online commodity exchange based in India

It is an important topic for the IAS Exam. This article will talk about the functions and structural organisation of SEBI. Candidates can also download the notes PDF at the end of this article.

What is the National Commodity & Derivatives Exchange Limited (NCDEX)?

National Commodity & Derivatives Exchange Limited (NCDEX/ the Exchange) is an agricultural commodity exchange in India, with a large market share in the agricultural commodity segments,

It consists of a Board of Directors and professional managers who are actively interested in the commodity markets. The NCDEX aims to provide a commodity exchange platform for market participants to trade in commodity derivatives. It is a public limited company that was incorporated on 23 April 2003 under the Companies Act, 1956. It obtained its Certificate for Commencement of Business on 9 May 2003 and began operations on 15 December 2003.

How is the NCDEX regulated?

The NCDEX is under the regulatory authority of the Securities and Exchange Board of India (SEBI). The exchange is controlled by various laws under the Indian Penal Code such as the Securities Contracts (Regulation) Act, 1956, Companies Act, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, SEBI (Listing Obligations and Disclosure Requirements) Regulations, Stamp Act, Contract Act and various other legislations.

NCDEX headquarters are located in Mumbai and offer facilities to its members from the centres located throughout India.

As of September 30, 2019, NCDEX offered future contracts for 21 agricultural commodities and options contracts for five agricultural commodities, on the Exchange platform.

What does NCDEX primarily trade?

The National Commodity & Derivatives Exchange Limited has a broad-based array of permitted agricultural commodities that amount to a total of 23 (which is also the highest). These include items such as pulses, spices and guar, which are not traded on any platforms in the global

scenario and are economically relevant to India, forming an important component of India's global trade.

Relevant Questions regarding NCDEX

What is the difference between MCX and NCDEX?

The **MCX** (Multi Commodity Exchange) of India Ltd is an electronic commodity futures trading exchange. While the **NCDEX** (National Commodity And Derivative Exchange) Limited is an online multi-commodity trading exchange.

How many commodity markets are there in India?

As of 2016, apart from numerous regional exchanges, India has Six national commodity exchanges namely, Multi Commodity Exchange (MCX), National Commodity and Derivatives Exchange (NCDEX), Indian Commodity Exchange (ICEX), National Multi Commodity Exchange (NMCE), ACE Derivatives Exchange (ACE) and Universal Commodity Exchange(UCX).