

**Activities of commodity futures exchanges**

2347. SHRI RANBIR SINGH PARJAPATI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the details of members of the commodity futures Exchanges;
- (b) whether Government audits the activities of those members in order to enhance the market integrity and to prevent market manipulations;
- (c) if so, the details thereof and the details of such members found involved in manipulations and malpractices;
- (d) the action taken against each of such member; and
- (e) whether futures trading in gold and silver have been allowed and if so, the reasons therefor and the steps taken to check the interest of small investors and consumers?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) The details of members of the Commodity Futures Exchanges as on 31.07.2012 are as under:

**I National Commodity Exchanges:**

(As on 31.07.2012)

Sl.No.	Name of Exchange	* TM	@ TCM & ITCM/ STCM	#CM/ PCM	Total
1	2	3	4	5	6
1.	ACE Derivatives & Commodity Exchange Ltd. (ACE)	81	330	3	414
2.	Indian Commodity Exchange Ltd. (ICEX)	196	302	0	498
3.	Multi Commodity Exchange of India Ltd. (MCX)	309	1615	4	1928
4.	National Commodity & Derivatives Exchange Ltd. (NCDEX)	127	718	3	848

1	2	3	4	5	6
5.	National Multi Commodity Exchange of India Ltd. (NMCE)	8	329	3	340
GRAND TOTAL		721	3294	13	4028

**Note :****\* Trading Member (TM) :**

A person having been admitted by the Board as such, who shall have rights to trade on his account as well as on account of his clients, but shall have no right to clear and settle such trades himself.

**@ Trading-Cum-Clearing Member (TCM):**

A person who is admitted by the Exchange as the member of the Exchange conferring a right to trade and clear through the Clearing House of the Exchange as a clearing member and who may be allowed to make deals for himself as well as on behalf of his clients and clear and settle such deals only.

**Institutional Trading-Cum-Clearing Member (ITCM)/Strategic Trading-Cum Clearing Member (STCM):**

Institutional Trading cum Clearing Member means a person who is admitted by the Exchange as an Institutional Trading cum Clearing Member of the Exchange and who shall be allowed to trade on his account and to settle trades done by himself as well as by other Trading cum clearing members or Trading members.

**# Clearing Member (CM)/Professional Clearing Member (PCM):**

A person who is admitted by the Exchange as a Clearing member of the Exchange and the Clearing House of the Exchange and who shall be allowed to only clear and settle trades on account of Trading-cum-clearing members or Trading members.

**II. Details of Members of Commodity Specific Regional Exchanges:**

(As on 31/07/2012)

Sl.No.	Name of Exchange	* TM	@ TCM & ITCM/ STCM	#CM/ PCM	Total
1	2	3	4	5	6
1.	The Bombay Commodity Exchange Ltd. (BCE)	25	38	1	64
2.	Bikaner Commodity Exchange Ltd. (BCEL)	22	25	0	47
3.	The Central India Commercial Exchange of India Ltd. (CICE)	27	2	0	29
4.	The Chamber of Commerce (COC)	1	208	0	209

1	2	3	4	5	6
5.	Cotton Association of India (CAI)	7	8	1	16
6.	The East India Jute & Hessian Exchange Ltd. (EIJHE)	187	14	1	202
7.	First Commodity Exchange of India Ltd. (FCEI)	3	72	1	76
8.	Haryana Commodity Ltd. (HCL)	94	3	0	97
9.	The India Pepper & Spice Trade Association (IPSTA)	90	18	1	109
10.	The Meerut Agro Commodities Exchange (MACE)	3	41	0	44
11.	The National Board of Trade (NBOT)	57	60	1	118
12.	Rajkot Commodity Exchange Ltd. (RCEL)	3	62	0	65
13.	The Rajdhani Oil and Oilseeds Exchange Ltd. (ROOE)	3	40	0	43
14.	The Surendranagar Cotton Oil & Oilseeds Association (SCOOA)	40	53	0	93
15.	The Spices & Oilseeds Exchange Ltd. (SOE)	1	34	0	35
16.	Vijai Beopar Chamber Ltd. (VBC)	108	0	0	108
GRAND TOTAL		671	678	6	1355

(b) In order to ensure orderly conduct of the Members and compliance with the relevant Rules, Regulations, Bye-laws, Circulars and directives given by FMC and other relevant authorities, audit is being done by National Exchanges as well as Forward Markets Commission.

(c) and (d) The details are being collected.

(e) Yes, Sir. Futures trading in gold and silver has been allowed at four National Exchanges *viz.*, Multi Commodity Exchange of India Ltd. (MCX), National Commodity and Derivatives Exchange Ltd. (NCDEX), National Multi Commodity Exchange of India Ltd. (NMCE) and Indian Commodity Exchange Ltd. (ICEX). The futures market offers a platform for price discovery and price risk management. The Exchanges propose the contracts to be launched based on the needs of the hedgers and other stakeholders. The Forward Markets Commission approves the launch of the contracts that are proposed to be traded on the Commodity Futures Exchanges. The Commission has initiated several measures to protect the interest of investors/clients such as issuance of contract notes by member to clients within 24 hours of the transactions, segregation of client funds from the members own funds, necessary provisions in the byelaws for protection of client interests, quarterly settlement of client accounts, SMS and Email alerts to investors/clients by Exchanges, common KYC across Exchanges, Jago Grahak Jago campaign for investor education, installation of price ticker boards for price dissemination, disclosure of information regarding percentage of proprietary trade and client trade done on the trading platforms of the Exchanges, setting up of Investor Protection Fund, Do's and Don'ts for clients, awareness programmes *etc.*

#### **Offloading of foodgrains**

2348. SHRI SANJAY RAUT: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the Ministry has proposed for offloading of 13 million tonnes of foodgrains through ration shops and open market;

(b) whether it is also a fact that EGoM has given the approval for 8 million tonnes only; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) to (c) Proposal for release of additional 10 million tonnes of foodgrains under Targeted Public Distribution System (TPDS) and sale of 3 million tonnes of wheat under Open Market Sale Scheme (OMSS) were submitted to Empowered Group, of Ministers (EGoM) for consideration. Taking into consideration the overall stock position, buffer and strategic reserve norms, existing allocations under TPDS & OMSS and subsidy implications *etc.*, the EGoM approved release of additional 5 million tonnes of foodgrains under TPDS and 3 million tonnes of wheat for sale under OMSS.