



Since 1994

**Marathwada MitraMandal's  
INSTITUTE OF MANAGEMENT EDUCATION RESEARCH AND TRAINING  
(IMERT), Pune**

**S. No. 18, Plot No. 5/3, CTS No. 205, Behind Vandevi Temple, Karvenagar,  
Pune – 411052**



AY: 2022-23

**COMMODITY DERIVATIVES AWARENESS PROGRAM**

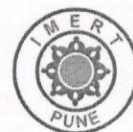
<b>Date of the Event: (DD/MM/YYYY)</b>	21/03/2022	<b>Duration:</b>	3:00 pm to 5:00 pm
<b>Day of the Event:</b>	Monday	<b>Venue:</b>	IMERT (Online Mode)

**BRIEF REPORT**

An awareness program on commodity derivatives was organized on 21<sup>st</sup> March, 2022 at 3 pm for the duration of 2 hours. Organized by MM's IMERT under the guidance of SEBI, the program was directed towards the students from College of Agriculture in Hanumanamatti, Dharwad, Karnataka. The aim was to educate students studying agriculture about the importance, features, latest trends and technicalities of commodity derivatives.



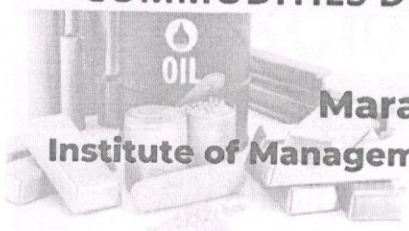
**भारतीय प्रतिभूती और विनिमय बोर्ड  
Securities and Exchange Board of India**



भारतीय प्रतिभूती आणि विनिमय बोर्ड (सेबी) यांच्या गुंतवणूकदार संरक्षण आणि शिक्षण निधीचा एक उपक्रम

**COMMODITIES DERIVATIVES AWARENESS PROGRAM**

**ORGANISED BY**



**Marathwada Mitra Mandal's  
Institute of Management Education Research and Training Pune**

**On 21st MARCH 2022**

An Initiative of Investors Protection & Education Fund of Securities And Exchange Board of India.

Ms. Kavita Jha, the vice president of NCDEX, was the speaker of the session.

The panel also consisted of-

1. Evita Edwards from IAD of OIAE, SEBI.
2. Dr. Chidanand Mansur, Dean & Campus Head, College of Agriculture, Dharwad, Karnataka.
3. Mr. Revansiddhappa Veershetty, Regional Manager, National Fertilizers Limited.
4. Dr. Mangalgouri Patil, Session Organizer, IMERT.

The speaker, guests and participants were introduced by the anchor.





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The speaker initiated the presentation by speaking about the importance of commodity derivatives. Ms. Jha explained that, if we look through a larger lens, commodity market is the foundation for equity market. She rightfully added how the companies listed in equity market need commodities as raw material for the production. She explained the need of exchange – there is insurance for everything but varying prices of commodities and that is why participation in exchange is important if a person wants to be insured against uncertain pricing of the same.

Zoom Meeting

PowerPoint Slide Show - [Agri Commodity Derivatives as an asset class] - PowerPoint

## FLOW OF PRESENTATION

- Importance of Commodities Derivatives Markets
- Commodities Markets in India and World
- Main Agri commodity Exchange & Commodities Traded
- Major Participants
- Some important definitions and terminology
- Mechanism of Trading on Exchange Platform
- Role of Trade Facilitator i.e. Broker
- Factors affecting Commodities Trade
- Investor Do's and Don'ts

NCDEX  
NCDEX Investor Credit Protection Fund Trust

SEBI HO IAD  
SEBI HO IAD

Sumit Gaikwad  
Sumit Gaikwad

Dr. M. H. Jha  
Dr. M. H. Jha

Revan Sidda  
Revan Sidda

R  
R

Revan Sidda  
Revan Sidda

Slide 3 of 45

Zoom Meeting

PowerPoint Slide Show - [Agri Commodity Derivatives as an asset class] - PowerPoint

## Evolution of Commodity Exchanges- in the world

1848  
1st commodity exchange, Chicago Board of Trade

1865  
Futures Contract started trading

1898  
Chicago Mercantile Exchange

1880-90's  
Electronic trading Started

2007  
CBOT and CME merged together under CME group

NCDEX  
NCDEX Investor Credit Protection Fund Trust

SEBI HO IAD  
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Sumit Gaikwad  
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Dr. M. H. Jha  
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Revan Sidda  
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REVAN SIDDA  
REVAN SIDDA

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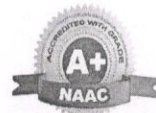




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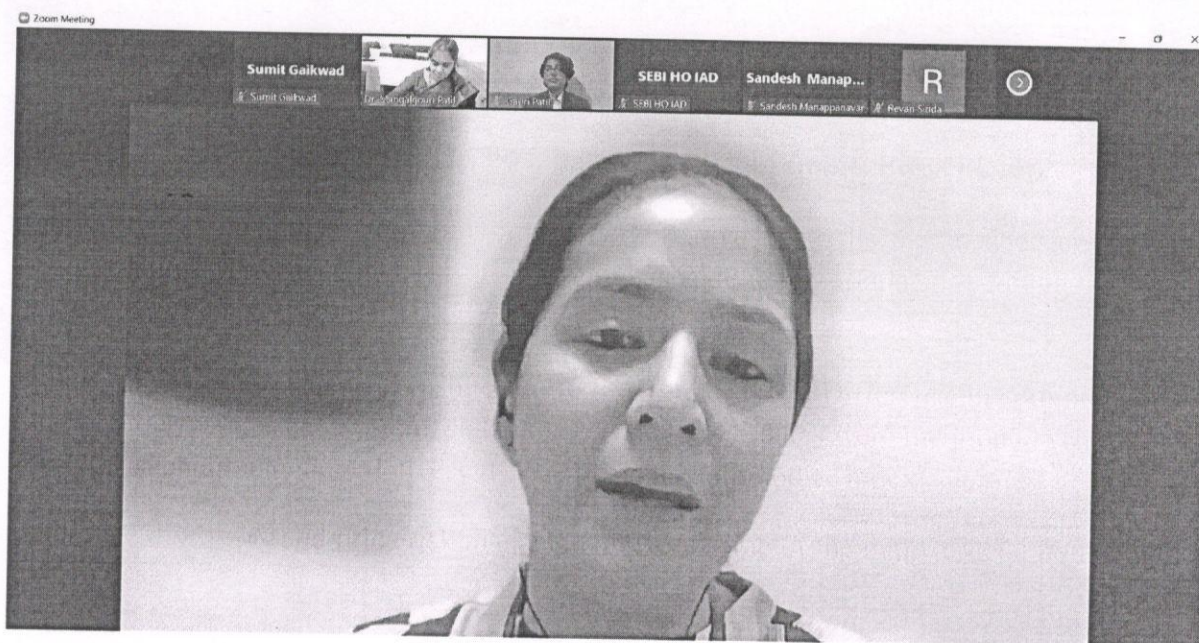


AY: 2022-23

Moving ahead, the evolution and structure of commodity derivatives were discussed. The steps by which an investor can start trading were explained. The speaker emphasized the importance of hedging by adding how *not hedging is also speculation*.

Arbitrage and its type—cash to cash and cash to future—were discussed. Difference in commodity and equity market, commodity derivatives eco-system, stakeholders and their stakes were mentioned. The session was introduced to terms such as staggered delivery, FSP, offset and commodity index.

Delivery logic, price discovery and price risk management were some of the many crucial points in the session.



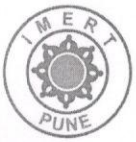
The types of commodity derivatives- options contract and futures contract- were reviewed. Ms. Jha talked about a very crucial topic—warehousing. The conditions for the verification of the warehouse and the warehouse provider and the process of depositing goods in the warehouse were explained.

The later part of the session consisted the investor's guidelines—the do's and don'ts for the participants. The awareness against dabba trading was stressed upon. The participants were encouraged to ensure that the brokers are trustworthy and contracts are thoroughly studied before involving into any agreement or obligation.

Ms. Kavita Jha tried to have an interactive session despite the restrictions of online mode by interacting and discussing examples and cases with the anchor. She constantly checked if the participants understood the points and tried to give examples so that the content is relatable.

By the end, Ms. Jha asked multiple choice questions to the participants about the content discussed in the session. In case of wrong options being chosen, the speaker explained why the answer was inaccurate and informed the correct answer. The Q&A was open after that. She answered queries of the participants.





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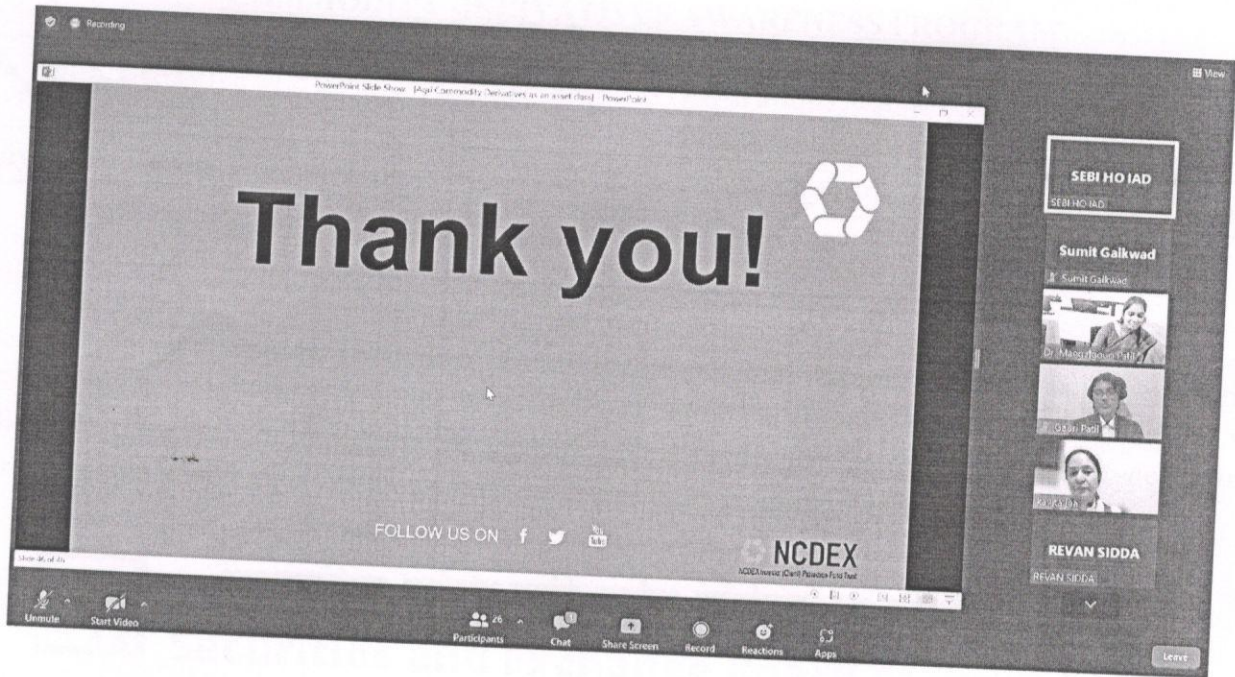
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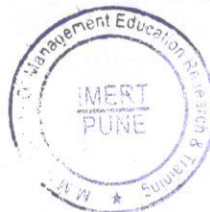
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After the questions were answered, Dr. Mangalgouri Patil thanked the speaker and all the other participants by giving the vote of thanks. The session ended by 5 pm.



*(Handwritten signature)*

<b>Dr. Mangalgouri S Patil</b>	<b>Dr. Jitendra Bhandari</b>	<b>Dr. Shubhangee Ramaswamy</b>
<b>Name &amp; Signature of Coordinator</b>	<i>(Signature)</i> <b>Reviewed / Recommended HOD</b>	<i>(Signature)</i> <b>Approved by I/CDirector</b>



**Director**  
M.M.'s Institute Of  
Management Education Research & Training  
Pune - 411 052