

NSPOT expects turnover to double in 2013-14

fe Bureau

New Delhi, Feb 25: Amid a settlement crisis at the National Spot Exchange (NSEL), the NCDEX Spot Exchange (NSPOT) expects its turnover to more than double to ₹7,000 crore in the current fiscal from a year before.

“The spot market is still shaken due to NSEL crisis, but we are confident that NCDEX Spot Exchange turnover is likely to be more than doubled to ₹7,000 crore by the end of this fiscal,” said NCDEX managing director and chief executive Samir Shah. The spot exchange had recorded a turnover of ₹2,685.23 crore in the last fiscal. NSPOT is the wholly-owned subsidiary of NCDEX and has presence in nine states.

Analysts said although a settlement crisis at the NSEL somewhat dented investors' faith in the spot market, NSPOT stands to be the biggest beneficiary as there is hardly any competitor now even though there was a lot of difference be-

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tween the product portfolio of both these exchanges. For instance, NSPOT is conducting e-auctions of wheat from the godowns of the Food Corporation Of India (FCI) under the open market sales scheme in a major way. Earlier, NSPOT apart, the NSEL was also conducting such sales, as part of the state-run agency's pilot projects. However, after the crisis at that exchange, NSPOT is the only viable option for the FCI to offload the stocks. Prior to its fall, the NSEL claimed to have a 99% share in the spot commodity market.

NSPOT said it witnessed growth of

235% in terms of trade value to ₹6,321 crore in up to February 18 this fiscal from a year before, and total volumes for agri & non-agri commodities have increased to 13,15,592 tonne as of February 18 from 6,75,363 tonne in the entire FY13. Its member base has also increased from 30 in 2008 to 1,363 during the period.

NCDEX, the country's largest farm commodity futures exchange, has also recently sought to cash in on a perceived blow to the image of the Multi-Commodity Exchange (MCX), the country's largest non-farm futures exchange, following a settlement scandal at another group company, NSEL.

In December, Shah had told *FE* that NCDEX will also ramp up efforts to capture the non-agri futures segment more aggressively. “We aim to raise our turnover from the non-agri segment to 20-30% in the next 2-3 years,” Shah had said. Currently, non-farm futures make up for roughly 10-12% of the exchange's total turnover.