

**GOVERNMENT OF INDIA  
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
LOK SABHA**

UNSTARRED QUESTION NO:3271  
ANSWERED ON:28.07.2009  
COMMITTEE ON FUTURES TRADING  
Balram Shri P.

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

- (a) whether the Committee set up to study the correlation between spot prices and futures trading has since submitted its report;
- (b) if so, the details of the observations and recommendations made by the said Committee;
- (c) the action taken by the Government for the implementation of the recommendations of the Committee; and
- (d) the benefits likely to accrue to the consumers therefrom?

**Answer**

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a): Yes Madam.

(b): The major findings of Abhijit Sen Committee Report are given in the Annexure.

(c): The recommendations of Abhijit Sen Committee are broadly directed at strengthening the regulatory framework in the commodity futures market as well as deepening of the same. While devising various policies and practices for futures trading in commodities such as hedgers participation, delivery system, price dissemination etc. the recommendations of the committee have been kept in view. Some of other recommendations need amendment to the Forward Contracts (Regulation) Act, 1952 to strengthen the regulatory framework for the efficient functioning of the market.

(d): By bringing efficiency in the market the future trading reduces the volatility in prices. The mark up between the producers' price and consumer price overtime also goes down which benefits both the producers and the consumers. Price discovery and risk management benefits accruing from futures trading help user/consumer of the commodities to get best bargain in the market.