

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

UNSTARRED QUESTION NO:1643
ANSWERED ON:04.12.2012
CONTRACT POSITIONS OF NSEL
Annayagari Shri Sai Prathap

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

- (a) whether it is a fact that the Ministry has issued Show Cause Notice to National Spot Exchange Ltd. (NSEL) with regard to discrepancies in contract positions of NSEL with others;
- (b) if so, the details thereof;
- (c) whether the NSEL has submitted its compliance report to the Ministry; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K. V. THOMAS)

(a) : Yes Madam,

(b) : The Forward Markets Commission (FMC), the Regulator for Commodity Futures Markets under the provisions of Forward Contracts (Regulation) Act, 1952 also designated to seek information or returns relating to trade from the Spot Exchanges sent a report in respect of National Spot Exchange Limited (NSEL) to the Department with regard to discrepancies in contract positions of NSEL with others as per the conditions stipulated in the notification, dated 05.06.2007 under which the exemption under section 27 of Forward Contracts (Regulation) Act, 1952 was granted to the NSEL for trading in one day duration forward contracts. The report was examined in the Department and based on the said report a show cause notice was issued to NSEL. NSEL has submitted its reply, the same is, however under examination of the Government.

(c) & (d): Yes Madam, the NSEL has submitted its compliance report, the same is, however under examination of the Government.