

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1556
ANSWERED ON:13.12.2013
NSEL INVESTIGATION
Patil Shri A.T. Nana

Will the Minister of FINANCE be pleased to state:

- (a) whether his Ministry has received the request to investigate the multi-core finance scam of National Spot Exchange Limited (NSEL);
- (b) if so, the details thereof; and
- (c) the action taken/being taken against the guilty?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

{a) Yes Sir.

(b) The National Spot Exchange Ltd.. vide their circular dated 31M July, 2013 had suspended trading in all one day forward contracts (except e-series contracts which were suspended on 6 August, 2013) and merged/deferred the settlement of all outstanding contracts for 15 days. Subsequent to such suspension of trading and merger/deferment of settlement of outstanding contracts at NSEL. a payment/settlement crisis of approx. 7 5600/- crore had arisen. For the settlement of the outstanding contracts, NSEL announced a settlement plan spread over 30 weeks providing for an initial weekly payment of? 174.72 crore to the members beginning with effect from 20th August, 2013. However, on 20th August 2013, a payment of only ? 92.13 crores was made to the members.

(c) A Special Team of Secretaries under the chairmanship of the Secretary, Department of Economic Affairs was constituted by the Government to examine the violation of the Laws and Regulations by NSEL/any associated companies/any of the participants and to suggest measure that could be taken to insure that there is not systematic impact of the NSEL developments. The Special Team submitted its Report to the Government on 23.09.2013. The Team concluded that the NSEL episode may not have any major systemic impact. However, there are certain recommendations in the Report on which follow up actions are required to be taken by the offices/Departments/Ministry concerned. Therefore, recommendations of the Special Team on which action needs to be taken was sent on 27.09.2013 to seven offices/Departments/Ministry concerned for action thereon. The progress of the follow up action is being monitored through their Action Taken Notes and meeting at the higher level.