

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4415  
ANSWERED ON:19.12.2014  
BAN ON TRADING IN MENTHA OIL  
Singh Dr. Nepal

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government proposes to impose a ban on trading in Mentha Oil on MCX in order to save Mint industry; and
- (b) if so, the time by which the Government is likely to announce its decision in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIJAYANT SINHA)

(a): No Sir. Like in any other commodity, `future trading<sup>1</sup> in Mentha Oil is also resorted for the purposes of vprice discovery` and `price risk management` (hedging). The price of Mentha Oil, as of any other commodity, is determined by the forces of demand and supply. Further, futures trading in Mentha Oil is permitted under stringent regulatory measures such as limit on open position, price limits etc. Keeping in view the price trends prevailing in Mentha Oil, Forward Markets Commission (FMC) imposed/revised appropriate additional and special margins from time to time. There has been broad based participation in Mentha Oil contracts during the last five years, which makes the market deep and not easily amenable to manipulation.

(b): Does not arise in view of answer to Part (a).