

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1112
ANSWERED ON:28.11.2014
FUTURE TRADING IN SUGAR
Chinnaraj Shri Gopalakrishnan

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has imposed a ban on future trading in sugar;
- (b) if so, the details thereof and the reasons therefor and the details of item in which future trading is allowed and banned, item/commodity-wise; and
- (c) the benefits likely to accrue to the consumers therefrom?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) No, Sir.

(b) 'Futures trading' is not banned in any commodity. 'Futures trading' is permitted in 113 commodities as notified under Section 15 of the Forward Contracts Regulation Act, 1952 (FCRA). Details of the commodities notified under Section 15 of the FCRA are at Annexure – I. In addition, details of 21 commodities, which are neither notified under Section 15 nor prohibited under Section 17 of the FCRA and are permitted for 'Futures trading', are at Annexure – II.

(c) 'Forward/ Futures trading' in a commodity is a mechanism for price discovery and price risk management and is useful to the economy including the farmers and consumers. Trading in 'Futures' provides guidance to sellers (farmers/ growers/ processors) and buyers (consumers) of agricultural commodities in planning ahead and, in financing, marketing and storage of commodities.