

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

UNSTARRED QUESTION NO:2411
ANSWERED ON:13.03.2006
FINANCIAL IRREGULARITIES IN NCDEX
Chinta Mohan Dr. ;Singh Shri Prabhunath;Suman Shri Ramji Lal

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

- (a) whether financial irregularities have been reported in the National Commodity and Derivative Exchange Ltd. (NCDEX) recently;
- (b) if so, the details thereof indicating the amount involved therein;
- (c) whether the responsibilities have since been fixed;
- (d) if so, the details thereof indicating the names of the officers involved therein; and
- (e) the steps taken to divest such officials from the core and allied functions of the exchange?

Answer

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

(a) & (b): The National Commodity and Derivative Exchange Ltd., (NCDEX), Mumbai had changed the methodology for calculation of final settlement price for Chana and Urad January, 2006 contracts during the currency of these contracts, which was in violation of the instructions issued by the Forward Markets Commission (FMC). The amount involved on account of this change is not quantifiable.

(c) to (e): On the directions of FMC, the NCDEX has relieved its Chief Business Officer, Shri Narendra Gupta, from his present duties and the Exchange's core position.