

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 4990
ANSWERED ON FRIDAY, THE 16TH DECEMBER, 2016
[AGRAHAYANA 25, 1938 (SAKA)]**

MONEY TRAIL

QUESTION

4990. SHRI E. AHAMED:

**Will the Minister of CORPORATE AFFAIRS
be pleased to refer to reply given to the Unstarred Question No. 3338 dated
5th August, 2016 regarding NSEL Scam and state:**

- (a) the action taken by the Government against NSEL and its promoters and the defaulting companies under various provisions of the Companies Act;**
- (b) whether the Government has appointed a Special Team of Secretaries (STS) to enquire into the NSEL, Saradha, Sahara and Pearl Group of Companies;**
- (c) if so, the details thereof and if not, the reasons therefor;**
- (d) whether the Government has ordered amalgamation of defaulting companies with its holding or group companies in public interest under any of the provision of Companies Act for companies which have defaulted in bank loans/ Government dues or sick/ defunct/ defaulted companies; and**
- (e) if so, the details thereof along with the companies Government is considering for such amalgamation and the action taken thereon?**

ANSWER

**THE MINISTER OF STATE IN THE (SHRI ARJUN RAM MEGHWAL)
MINISTRY OF CORPORATE AFFAIRS**

- (a): Ministry of Corporate Affairs has taken following actions against NSEL and its promoters and the defaulting companies under various provisions of the Companies Act, 1956:**
 - (i) Ordered inspection under section 209A of the Companies Act, 1956 of books of accounts and other records of NSEL, Financial Technologies (India) Limited (FTIL - now name changed to 63 Moons Technologies Limited) vide order dated 30-09-2013;**

- (ii) Issued Order dated 12-02-2016 of Amalgamation of NSEL with FTIL under section 396 of the Companies Act, 1956 in public interest;**
- (iii) Filed an application before Company Law Board (now National Company Law Tribunal) under sections 397-398 read with 388B, 401, 402, 403, 406 and 408 of the Companies Act, 1956 seeking *inter alia* removal of directors from the Board of Directors of FTIL and praying for suitable interim reliefs;**
- (iv) Ordered investigation under Section 210(1) read with Section 212(1) (c) of the Companies Act, 2013 into the affairs of NSEL, FTIL, their 18 subsidiaries and associate companies, the 20 defaulting entities and their role/ nexus with the brokers vide order dated 28-10-2016 and assigned the same to the Serious Fraud Investigation Office (SFIO).**

(b) & (c): Department of Economic Affairs, Ministry of Finance has constituted a Special Team of Secretaries (STS) to examine the violation of laws and regulations by NSEL/ associated companies and to suggest measures that could be taken to ensure that there is no systemic impact of the NSEL development. The Committee had submitted its Report on 23-09-2013 and the issues highlighted in the Report are being investigated by the agencies/ Departments/ Ministry concerned. The progress in this connection is reviewed from time to time by the Committee in its meetings with the agencies/ Departments/ Ministry concerned.

(d) & (e): In the last three years and the current year (up to 30-11-2016), the Ministry has invoked provisions of section 396 of the Companies Act, 1956 in public interest in the matter of amalgamation of NSEL with FTIL.
