

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO.445**

ANSWERED ON 3<sup>rd</sup> FEBRUARY, 2017

**NSEL**

445. SHRI JAI PRAKASH NARAYAN YADAV:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that large scale misappropriation of funds and bungling has taken place in NSEL in last few years and the case was investigated by the Economic Offences Wing (EOW) and if so, the details thereof;
- (b) whether the EOW filed the final chargesheet, if so, the present status thereon;
- (c) whether the EOW has attached the properties of arrested brokers under the Maharashtra Protection of Interest of Depositors (MPID) Act; and
- (d) if so, the details thereof, if not, the reasons therefor?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI ARJUN RAM MEGHWAL)

**(a):** On a complaint registered on 30.09.2013 against key management persons of National Spot Exchange Limited (NSEL), Financial Technology (India) Ltd., borrowers and brokers, the Economic Offences Wing (EOW), Mumbai Police started investigating into the offence vide EOW CR No.89/13 under sections 120(B), 409, 465, 467, 468, 471, 474, 477A of the Indian Penal Code, 1860 (IPC) pertaining to NSEL related payment and settlement crisis case involving Rs. 5600/- crores approximately of about 13000 investors. During the course of investigation, when it was observed that NSEL had acted as a Non-Banking Financial Company and it had assured fixed returns on the investment, various provisions of the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999 (MPID Act) were invoked on 24.10.2013 to further strengthen the seizure of properties to recover the loss caused to investors. EOW, Mumbai Police has attached properties worth Rs. 8583.05 Crores of alleged defaulters. The Deputy Collector, Mumbai City has been appointed as the Competent Authority under the provisions of MPID Act for the attachment and disposal of attached properties.

During the course of the said investigation, which is still in progress, 31 accused persons have been arrested.

**(b):** EOW, Mumbai Police has filed 3 charge sheets in this case and the investigation is in progress. It would become possible to file the final charge sheet when the ongoing investigations are completed.

**(c):** EOW, Mumbai Police has not attached the properties of the 3 arrested brokers with whom investors invested their money.

**(d):** The properties of 3 arrested brokers have not been attached, as money trail has not been found in their bank accounts.

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ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI ARJUN RAM MEHTAWAL)

(a) On a complaint registered on 30.09.2012 against key management persons of National Spot Exchange Limited (NSE), Financial Technology (India) Ltd. (NSEFT), brokers and traders, the Economic Offences Wing (EOW), Mumbai Police started investigating into the offence. EOW CR No. 2012/10077 dated 13.09.2012, the add. 407, 408, 411, 414, 415, 417A of the Indian Penal Code, 1960 (IPC) pertaining to NSEFT related payment and settlement crisis case involving Rs. 26000-crores approximately at about 15000 investors. During the course of investigation, when it was observed that NSEFT had acted as a Non-Banking Financial Company and it had assumed fixed returns on the investment, various provisions of the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1995 (MPIE Act) were invoked on 24.10.2012 to further strengthen the seizure of properties to recover the loss caused to investor. EOW, Mumbai Police has attached properties worth Rs. 8283.05 Crores of alleged defaulters. The Property Collector, Mumbai City has been appointed as the Competent Authority under the provisions of MPIE Act for the attachment and disposal of attached properties.