

**GOVERNMENT OF INDIA  
FINANCE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:5851  
ANSWERED ON:02.05.2003  
SIPHONING OF FOREIGN EXCHANGE  
BALIRAM

**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

- (a) whether some companies viz. M/s. Macleods Pharmaceuticals, Vidyut Investments, Zee Telefilms have been involved in siphoning of foreign exchange;
- (b) if so, whether any probe has been ordered by Government;
- (c) if so, the outcome of the probe; and
- (d) the action taken by the Government against these companies?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) M/s. Zee Telefilms Ltd., an authorised agent of M/s. Asia Today Ltd., Hongkong (owner of ZEE TV) were charged under the provisions of the Foreign Exchange Regulations Act (FERA), 1973 (since repealed) for collecting funds in India from ineligible exporters and non-eligible persons by way of advertisements for telecasting their products on ZEE TV Channel and remitting the foreign exchange outside India to M/s. Asia Today Ltd., Hongkong, in violation of the stipulations of the Reserve Bank of India in this regard. The case of M/s. Vidyut Investment, a subsidiary of M/s. Ranbaxy Ltd., is being investigated under the Foreign Exchange Management Act (FEMA) in connection with certain transactions relating to the stock scam. No case relating to M/s. Macleods Pharmaceuticals has been investigated by the Directorate of Enforcement.

(b), (c) & (d) Show Cause Notices have been issued to M/s. Zee Telefilms Ltd. and the matter is before the adjudicating authorities. In the case of M/s. Vidyut Investments, investigation initiated under FEMA is in progress.