

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5823
ANSWERED ON:08.09.2011
ROC OF MAHARASHTRA
Bhagora Shri Tarachand

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether it is a fact that Registrar of Companies (RoC), Maharashtra had received a complaint against M/s. Reliance Communication Limited regarding mysterious foreign exchange transactions by their subsidiary M/s. Gateway Net Trading Private Ltd., Singapore;
- (b) if so, the details thereof ;
- (c) whether RoC have enquired into the allegations/complaints against the above subsidiary after receiving a reply from R-com; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI R.P.N. SINGH)

- (a) & (b) Yes, Madam. Complaints were received against M/s. Reliance Communication Limited. The following were the allegations:
 - (i) Reliance Communication Limited had circumvented the provisions of FEMA Regulations by de-subsidiarising Gateway Net Trading Pte Limited as on 31/3/2008 by reduction of its ownership interest by 91%;
 - (ii) Subsequently, the shares of the said company were acquired through a Foreign Subsidiary of Reliance Communication, namely, Reliance Globalcom BV, Netherland on 01/10/2008; and
 - (iii) This made Gateway Net Trading Pte Limited, Singapore, a 100% subsidiary of Reliance Communication Limited.
- It was further alleged that the Company purchased an Yacht from M/s. Ferrity Custom Line, Italy while payment for it amounting to EURO 11,640,769.29 was made by M/s. Gateway Net Trading Pte Limited, Singapore.

(c) & (d) On receipt of reply from the company, the Registrar of Companies examined the allegations and it was found that none of the issues related to violation of Companies Act, 1956. However, the matters relating to External Commercial Borrowings and Foreign Exchange Management Act, were referred to the Enforcement Directorate & RBI, respectively, while the issue of non-payment of license fee was referred to the Department of Telecommunications.