

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5884

ANSWERED ON:11.05.2012

INVESTMENT OF COMPANIES IN MONEY MARKET INSTRUMENTS AND ILLEGAL FINANCIAL ACTIVITIES

Patil Shri A.T. Nana

Will the Minister of FINANCE be pleased to state:

- (a) whether a telecom major and its subsidiaries are reported to be involved in money market instruments and illegal financial activities;
- (b) whether such activities are clear violation of Foreign Exchange Management Act (FEMA) regulations and directives of Reserve Bank of India (RBI);
- (c) if so, the complete details of activities of these subsidiary companies alongwith share-holding pattern; and
- (d) the action taken against the said companies by Enforcement Directorate, RBI and Income Tax department so far?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d): Directorate of Enforcement has informed that they are enquiring into matters pertaining to certain telecom companies under the Foreign Exchange Management Act, 1999 (FEMA). The enquiry in the matter is in progress.