

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2376
ANSWERED ON:27.08.2012
VIOLATION OF FDI NORMS IN MULTI BRAND RETAIL
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether some cases of carrying out retail trading in multi-brand sector in violation of existing FDI policy has come to the notice of the Government;
- (b) if so, the details thereof; and
- (c) the action taken by the Government against the entities/joint venture not following the norms in this regard?

Answer

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

(a) & (b): References alleging that some companies are carrying out multi-brand retail trading, in violation of the FDI policy, have been received. Such references are referred to the relevant agencies for a fair assessment, before taking any view in the matter.

(c): Violation of FDI regulations is covered by the penal provisions of the Foreign Exchange Management Act (FEMA), 1999. The Reserve Bank of India (RBI) administers the FEMA and Directorate of Enforcement under the Ministry of Finance is the authority for the enforcement of FEMA. The Directorate takes up investigation in any contravention of FEMA.