

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2444

ANSWERED ON:23.08.2013

FEMA VIOLATION BY REAL ESTATE COMPANIES

Jagannath Dr. M.;Shekhar Shri Neeraj;Singh Shri Uday Pratap;Singh Shri Yashvir

Will the Minister of FINANCE be pleased to state:

- (a) whether the Enforcement Directorate (ED)/the Securities and Exchange Board of India (SEBI) has recently probed/issued a show cause notice to certain real estate companies for alleged violation of the Foreign Exchange Management Act (FEMA) worth several crores by false representation on utilization of Foreign Direct Investment (FDI);
- (b) if so, the details thereof for the last three years and the current year till date and the response received therefrom company-wise;
- (c) the details of companies found guilty and those gone scot free along with action taken thereon; and
- (d) the steps taken by the Government to ensure that such companies do not indulge in corrupt practices in future?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI J.D. SEELAM)

(a) to (c) : A Show Cause Notice for the contravention of relevant provisions of FEMA, 1999 has been issued to one Delhi based real estate company on 04.06.2013. The amount involved in the alleged contravention is Rs. 8600.80 crore. Appropriate decision will be taken by the Adjudicating Authority as per the relevant provisions of FEMA.

(d) : The Directorate of Enforcement takes appropriate action as and when contraventions of FEMA come to its notice.