

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2498

ANSWERED ON:23.08.2013

VIOLATION OF INVESTMENT RULES

Gaddigoudar Shri P.C.;Gowda Shri D.B. Chandre;Patil Shri C. R.

Will the Minister of FINANCE be pleased to state:

- (a) whether certain assurances given by the Government over the issue of Foreign Exchange Management Act (FEMA) violation in multi-brand retail by an American retail giant are still pending;
- (b) if so, the dates since when such assurances are pending along with the reasons for non- fulfilment of each such assurance;
- (c) the details of other laws of the land violated by the retail giant and the action taken/ being taken by the Government thereon case-wise;
- (d) the time by which these assurances are likely to be fulfilled; and
- (e) the steps taken/being taken by the Government for penalising the foreign retail store and ensure strict adherence to the laws by foreign retail stores in future?

Answer

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

(a) : Yes, Sir.

(b) : As per record, replies to following question have been treated as Assurance :

(i) Lok Sabha Unstarred Q. No. 1471, answered on 03.12.2012.

(ii) Lok Sabha Unstarred Q. No. 2445, answered on 07.12.2012.

(iii) Rajya Sabha Unstarred Q. No. 1261, answered on 05.12.2012.

(c) : The Government vide its Resolution dated 31.1.2013 appointed a one-man Committee headed by Shri Justice Mukul Mudgal, former Chief Justice of Panjab & Haryana High Court, as Chairman, to hold an inquiry into the media reports concerning lobbying by Wal-Mart. The Ministry of Corporate Affairs was the administrative ministry for the inquiry. The Committee has submitted its report to the Government on 18.05.2013.

(d) : Since investigation under FEMA are underway, no time frame for completion thereof can be assigned as of now.

(e) : Appropriate action under FEMA, 1999 would be taken on completion of investigations.