

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3415

ANSWERED ON:30.08.2013

INVESTIGATION OF FUNDS PARKED ABROAD

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Bhoi Shri Sanjay;Paranjpe Shri Anand Prakash

**Will the Minister of FINANCE be pleased to state:**

- (a) whether Securities and Exchange Board of India (SEBI) has conducted/ proposes to conduct any investigation into the use of funds parked in undisclosed overseas bank accounts allegedly owned by several prominent promoters and Chief Executive Officers (CEOs);
- (b) if so, the details and the outcome thereof;
- (c) the action taken against the guilty; and
- (d) the other steps taken/proposed to be taken by the SEBI to curb such illegal activities?

**Answer**

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

- (a): On receipt of information that the amounts raised towards External Commercial Borrowings (ECB)/ Foreign Currency Convertible Bonds (FCCB) by the Anil D. Ambani (ADA) Group Companies had been used by them to invest in the stock market and that investment vehicles abroad were used as a means for the same, Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged affairs relating to the dealings, either directly or indirectly, in the shares of Reliance Communications Limited (RCL) by the ADA Group Companies.
- (b): Investigations revealed that Reliance Infrastructure Ltd. and Reliance Natural Resources Ltd. were prima facie responsible for misrepresenting the nature of investments in "Yield Management Certificates / Deposits" and profits & losses thereof in their three Annual Reports and misusing the framework of SEBI (Foreign Institutional Investors) Regulations, 1995.
- (c): Pursuant to investigation, a show cause notice was issued under sections 11, 11(4) and 11B of the SEBI Act, 1992. Subsequently, under the provisions of the then prevailing consent circular the matter was consented, vide a consent order dated 14 January 2011.
- (d): Whenever such matters come to the notice, SEBI conducts investigation and takes appropriate actions.