

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

UNSTARRED QUESTION NO:2173
ANSWERED ON:05.12.2014
VIOLATION OF FDI POLICY
Adsul Shri Anandrao

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether domestic companies are reportedly violating FDI policy by issuing shares against non-case consideration like trade payables and import of capital goods to foreign entities;
- (b) if so, the details thereof;
- (c) whether the Government propose to issue fresh guidelines to check FDI policy violation and money laundering; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN)

(a): No, Madam.

(b): Does not arise.

(c) & (d): Violation of FDI policy is covered by the penal provisions of the Foreign Exchange Management Act, 1999 and money laundering is covered under the Prevention of Money Laundering Act, 2002.