

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:229  
ANSWERED ON:18.03.2005  
TAX EVASION UNDER FERA AND FEMA  
Naik Shri Shripad Yasso

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

- (a) the amount of evasion involved under erstwhile Foreign Exchange Regulation Act (FERA) and present Foreign Exchange Management Act(FEMA) cases;
- (b) the percentage of evasion rendered irrecoverable;
- (c) the number of cases pending for more than six months;
- (d) the reasons for delay;
- (e) whether a time frame has been fixed to dispose of the long pending cases; and
- (f) if so, the action taken to dispose of the long pending cases?

**Answer**

MINISTER OF FINANCE (SHRI P.CHIDAMBARAM)

- (a) & (b) No tax/duty was levied under Foreign Exchange Regulation Act (FERA) 1973 or is levied under Foreign Exchange Management (FEMA), 1999. Therefore, the question of evasion and the percentage of irrecoverable evasion does not arise.
- (c) The number of adjudication cases pending as on 1.3.2005 for more than six months under Foreign Exchange Regulation Act, 1973 is 4469 and under Foreign Exchange Management Act 1999 is 268. Out of 4469 cases pending under FERA, in about 2645 cases there are stay orders by various Courts. Therefore, effective pendency of FERA adjudication cases is 1824 as on 1.3.2005.
- (d) Adjudication proceedings are quasi-judicial proceedings. Reasonable opportunities are required to be given to the opposite party for being heard.
- (e) and (f) It is not possible to indicate any specific time frame to dispose of the pending adjudication cases. For expeditious disposal of pending FERA adjudication cases, Government has appointed additional Adjudicating Officers.