

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:440
ANSWERED ON:25.08.2006
VIOLATION OF NORMS BY BY MNCS
Acharia Shri Basudeb;Nikhil Kumar Shri

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Appellate Tribunal for Foreign Exchange has found several multinational companies guilty of violating foreign exchange norms as reported in the Times of India dated July 29, 2006;
- (b) if so, the facts and details thereof;
- (c) whether the Government have ascertained the exact reasons for such violations;
- (d) if so, the details thereof ; and
- (e) the action taken/proposed to be taken in this regard ?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (e) : A statement is laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO. 440 FOR ANSWER ON 25TH AUGUST, 2006.

(a) & (b) : The Appellate Tribunal for Foreign Exchange has upheld the adjudication orders passed by the Special Director of Enforcement, in appeals filed by 10 multinational companies and employees of one company listed in Annexure 'A'. The details of penalties involved in the appeal in the cases adjudicated against multinational companies are given in Annexure 'B'.

(b) to (e) : These multinational companies had paid salaries and given perquisites to their expatriate employees abroad without the permission of Reserve Bank of India. As per available information, six multinational companies and employees of one company have filed writ petitions in Delhi High Court against the orders of the Appellate Tribunal for Foreign Exchange. List of the said companies is given in Annexure 'C'.