

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:529
ANSWERED ON:02.03.2007
FERA VIOLATION BY MNCs
Singh Shri Prabhunath

Will the Minister of FINANCE be pleased to state:

(a) whether an Appellate Tribunal has recently convicted eleven (11) Multinational companies (MNCs) for violating Foreign Exchange Regulation Act (FERA) and fined a sum of Rs. 36.12 crore against them;

(b) if so, the details thereof together with the names of the MNCs involved in the violation of FERA and action taken to recover the fine from them; and

(c) the details of other MNCs involved in violation of FERA and action taken against them and the quantum of foreign exchange involved therein?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

a) Appellate Tribunal for Foreign Exchange (ATFE) has upheld adjudication orders involving penalties of Rs. 36.12 crores in appeals filed by 10 MNCs and employees of one MNC.

b) Names of MNCs involved in the violation of Foreign Exchange Regulation Act (FERA), amount of penalty involved and deposited by them as per the directions of ATFE/High Court in appeals filed by them are at Annexure A.

c) List of MNCs involved in violation of FERA in similar matter, quantum of foreign exchange involved as also amount of penalty imposed are at Annexure B.

Annexure A

Details of MNCs involved in violation of FERA

Sl.No. Name of MNCs/ Amount of Amount of penalty
employees penalty deposited as per
involved directions of
(in rupees) ATFE/Delhi High
Court (in rupees)

1. The Fuji Bank Ltd. 1 crore 10 lakh +Bank guarantee given for balance amount of penalty given as per directions of Delhi High Court.
2. Nokia India(P) Ltd. 5 crore 25 lakh +Bank guarantee given for balance amount of penalty given as per directions of Delhi High Court.
3. Motorola India(P) Ltd. 1 crore 5 lakh +Bank guarantee given for balance amount of penalty given as per directions of Delhi High Court.
4. UFJ Bank Ltd. 45 lakh 11.25 lakh +Bank guarantee given for balance amount of penalty given as per directions of Delhi High Court.
5. Deutsche Bank A.G. 25 lakh 25 lakh +Bank guarantee given for balance amount of penalty given as per directions of Delhi High Court.
6. Ericsson India(P) Ltd. 15 crore 75 lakh +Bank guarantee given for balance amount of penalty given as per directions of Delhi High Court.
7. Bank of Tokyo 5.5. crore 5.50 crore +Bank guarantee given for balance Mitsubishi Ltd amount of penalty given as per directions of Delhi High Court.
8. Sumitomo Mitsui 35 lakh 8.75 lakh +Bank guarantee given for balance Banking Corporation amount of penalty given as per directions

(formerly known as Sakura Bank) of Delhi High Court.

9. M/s Sony India(P) Ltd. 5 crore 20 lakh +Bank guarantee given for balance amount of penalty given as per directions of Delhi High Court.
 10. H.Shiraki & Ors. 1,57,10,000 6,90,500 +Bank guarantee given for balance Employees of M/s amount of penalty given as per directions Sony India(P) Ltd. of Delhi High Court.
 11. Samsung Corporation 1 crore Bank guarantee given for 1 crore.
- Total 36.12 crore

Annexure B

Details of MNCs involved in violation of FERA in similar matter

Sl.No.	Name of MNCs	Amount involved	Amount of in Show Cause penalty imposed Notices (in (in rupees) Rs. Lakhs)
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|----|-----------------------------------|---------|------------|
| 1. | Mitsubishi Corporation, New Delhi | 2052.92 | 2 crore |
| 2 | L.G.Electronics, New Delhi | 80.63 | 10 lakh |
| 3. | All Nippon Airways, New Delhi | 147.33 | 63.50 lakh |
| 4. | Daewoo Motors, New Delhi | 266.68 | 1.50 crore |
| 5. | Merubeni (I) Pvt. Ltd., New Delhi | 983.72 | 3.39crore |