

Government of India
Ministry of Finance
Department of Revenue

LOK SABHA

UNSTARRED QUESTION NO. 1369

TO BE ANSWERED ON FRIDAY, DECEMBER 22, 2017

PAUSHA 01, 1939 (SAKA)

COMPANIES INVOLVED IN ILLEGAL FINANCIAL ACTIVITIES

1369. SHRI PR. SENTHIL NATHAN:

Will the Minister of Finance be pleased to state:

- whether the Government has taken any stringent action on Public and Private Limited companies and its Directors for their alleged involvement in illegal financial activities and fraud committed in banks;
- if so, the details thereof and the list of companies and directors booked during the last three years, year-wise;
- whether the Government is unable to expedite certain cases booked against the culprits for clear violation under Provisions of Money Laundering Act and Foreign Exchange Management Act (FEMA) regulations and directives of Reserve Bank of India (RBI);
- if so, the details thereof and if not, the reasons therefor; and
- the action taken against the said companies by Enforcement Directorate, RBI and Income Tax Department so far?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a) to (e):- Yes Madam, Directorate of Enforcement has initiated investigation under Prevention of Money Laundering Act (PMLA), 2002 and under Foreign Exchange Management Act (FEMA), 1999 in certain cases against companies and its Directors suspected to be involved in illegal financial activities as per details given below:

Year	No. of cases	No. of Companies involved	No. of Directors involved
2014-15	58	45	55
2015-16	33	152	115
2016-17	34	42	91
2017-18 (upto 30.11.17)	43	81	87
Total	168	320	348

The disclosure of details of such cases at this stage may not be in public interest as the same may hamper the on-going investigation.

Appropriate Action under the relevant provisions of law is taken in all such cases. The Income Tax Department (ITD) takes action in suitable cases against the persons, including Public and Private Limited companies and its Directors. Such actions are an ongoing process and include searches, surveys, assessment of income, levy of tax, penalty and filing of prosecution complaints before criminal courts, whichever is applicable as per direct tax laws.

Central Board of Direct Taxes (CBDT) doesn't centrally maintain entity-wise details of search & seizure action conducted by the ITD.

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHYAM PRASAD SHUKLA)

For & Tel: Yash Narayan, Directorate of Enforcement has received investigations under Prevention of Money Laundering Act (PMLA) Act, 2002 and Foreign Exchange Management Act (FEMA), 1999 in certain cases against companies and its Directors suspected to be involved in illegal financial activities as per cases given below