

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
LOK SABHA

UNSTARRED QUESTION NO. 1352

TO BE ANSWERED ON THE 9<sup>TH</sup> FEBRUARY 2018/MAGHA 20, 1939 (SAKA)

**Companies involved in Illegal Financial Activities**

**1352. SHRIMATI VSATHYA BAMA:**

**SHRI BHARATH MOHAN R.K.:**

**SHRI PR. SENTHIL NATHAN:**

Will the Minister of FINANCE be pleased to state:

- (a) 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;
- (b) if so, the details thereof along with the list of companies and directors booked during the last three years, year-wise;
- (c) 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 regulations and directives of Reserve Bank of India;
- (d) if so, the details thereof and if not, the reasons therefor and
- (e) the action taken against the said companies by Enforcement Directorate, RBI and Income Tax Department so far?

**ANSWER**

The Minister of State in the Ministry of Finance  
(SHRISHIV PRATAP SHUKLA)

(a) to (e): Directorate of Enforcement has initiated investigations under Prevention of Money Laundering Act (PMLA), 2002 and under Foreign Exchange Management Act (FEMA), 1999 against 320 companies and 348 Directors of companies, who are suspected to be involved in illegal financial activities. A total of 168 cases has been filed in the last three years and the current financial year till November 2017. Year-wise details are at Annex. As regards other details, Enforcement Directorate has stated that appropriate action in such cases is taken under the provisions of law, and that disclosure of details is not in public interest as it may hamper ongoing investigations.

Reserve Bank of India (RBI) has apprised that as per its directions, cases of fraud are required to be referred to relevant law enforcement agency for necessary action, and that specific information in this regard is not centrally maintained.

Income-tax Department has informed that it takes stringent action, in suitable cases against persons, including public and private limited companies and their Directors, *inter alia*, for evading taxes. Such actions 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.

No specific input has been received regarding inability to expedite cases booked against culprits for clear violation under PMLA and FEMA regulations and RBI directives.

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Annex

**Lok Sabha USQ No. 1352 for 9.2.2018, regarding “Companies involved in Illegal Financial Activities”**

Year	No. of cases	No. of companies involved	No. of Directors involved
2014-15	58	45	55

<b>2015-16</b>	<b>33</b>	<b>152</b>	<b>115</b>
<b>2016-17</b>	<b>34</b>	<b>42</b>	<b>91</b>
<b>2017-18 (up to November 2017)</b>	<b>43</b>	<b>81</b>	<b>87</b>
<b>Total</b>	<b>168</b>	<b>320</b>	<b>348</b>

Source: Enforcement Directorate.