

India probes Google over 'forex transactions'

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The Google logo is seen at the Google headquarters in Mountain View, California. Indian authorities are probing whether online giant Google broke domestic foreign-exchange transactions rules while shifting funds abroad, the Press Trust of India reported on Friday.

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Quoting unidentified sources, the news agency said India's Directorate of Enforcement, which monitors foreign exchange dealings, has informed Google about the probe.

The department is scrutinising the shifting of money by Google to its foreign entities and also its receipt of funds from abroad, the news agency said.

Google did not respond to telephone calls seeking comment.

But the Press Trust quoted a company spokeswoman as saying that Google's tax structure "is compliant with the tax rules in all the countries where we operate".

The reported investigation comes as Google, which employs close to 2,000 people in India, is embroiled in a controversy involving [Internet censorship](#) in India.

[Google](#) and social networking site [Facebook](#) said earlier this month they had removed allegedly offensive content on their Indian sites as part of a court case seen as a test for Internet control and censorship.

Indian regulations oblige Internet companies to remove material that is "grossly harmful" or "ethnically objectionable".

The two companies have been named alongside another 19 [Internet firms](#) in cases being heard in a New Delhi court which will determine whether they can be held responsible for obscene material generated online by users.

The groups, including Yahoo! and Microsoft, have appealed to the Delhi High Court asking for the case to be quashed on the basis that they cannot be held responsible for the actions of users of their platforms.

Communications Minister Kapil Sibal in December pledged a crackdown on "unacceptable" online content, saying Internet service providers had ignored India's demands to screen images and data before they were uploaded.

Critics have said such demands cannot be enforced and smack of state censorship.

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