

SECTION 79

*Notification No.1/9/EC/69 dated 10th February 1970
as amended up to 21st February 1985*

Non-Resident (External) Accounts Rules, 1970

G.S.R.255. In exercise of the powers conferred by Section 27 of the Foreign Exchange Regulation Act, 1947 (7 of 1947), the Central Government hereby makes the following rules to regulate the opening and maintenance of accounts by persons resident outside India, namely:-

1. Short title and commencement:

- (1) These rules may be called the Non-Resident (External) Accounts Rules, 1970.
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions:

In these rules, unless the context otherwise requires,

- (a) "Act" means the Foreign Exchange Regulation Act, 1947 (7 of 1947)
- (b) "account-holder" means a person holding a Non-Resident (External) Account;
- (bb) "co-operative bank" shall have the meaning assigned to it in Part V of the Banking Regulation Act, 1949 (10 of 1949);
- (c) words and expressions used and not defined in these rules but defined in the Act, have the meanings respectively assigned to them in the Act.

3. Non-Resident (External) Account:

Subject to the provisions of these rules, any person resident outside India may open and maintain in India an account with an authorised dealer or co-operative bank or any other bank or public financial institution which is specially authorised or exempted or permitted in this behalf by the Reserve Bank under the Act, to be called, a "Non-Resident (External) Account".

4. Amounts which may be credited to a Non-Resident (External) Account:

- (1) No amount other than the following amounts shall be credited to a Non-Resident (External) Account, namely:-

- (a) any amount remitted by the account-holder from outside India through normal banking channels;
 - (b) subject to the provisions of sub-rules (2) and (3), any amount accruing by way of income (including proceeds of sale or realisation of maturity value) from -
 - (i) units issued by the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963);
 - (ii) securities of any State Government or of the Central Government acquired by the account-holder from any Public Debt Office or through a Stock Exchange recognised under the Securities Contracts (Regulation) Act, 1956 (42 of 1956);
 - (iii) National Plan Saving Certificates obtained by the account-holder from any post office in India;
 - (c) subject to the provisions of sub-rule (4), any amount accruing by way of dividend or interest on shares, securities or deposits held in India; and
 - (d) such other amount as the Reserve Bank may generally or specially approve of being credited to such account.
- (2) The income from the proceeds of sale or from realisation of maturity value of units, securities or certificates referred to in clause (b) of sub-rule (1) shall not be credited into a Non-Resident (External) Account unless such units, securities or certificates have been purchased from out of the amounts remitted by the account-holder from outside India.
- (3) No amount referred to in clause (b) of sub-rule (1) shall be credited to a Non-Resident (External) Account if -
- (a) the investment in units, securities or certificates was subject to the conditions imposed by the Reserve Bank that such amount shall not be remittable outside India;
- or
- (b) the investor had intimated in writing to the Central Government or to the Reserve Bank that such amount will not be remitted outside India.
- (4) The amounts accruing by way of dividend or interest on shares, securities and deposits held in India shall not be credited to the Non-Resident (External) Accounts unless
- (a) the account-holder is the registered holder of such shares, securities or deposits;
 - (b) the account-holder is permanently resident outside India;
 - (c) the shares and securities are issued in India;

and

(d) in the case of shares -

- (i) the account-holder holds not more than 25 per cent of the total shares issued and outstanding for the time being of the company or corporation, as the case may be;
- (ii) they have been issued or transferred to the account-holder with the permission of the Reserve Bank (where such permission is necessary);

and

- (iii) the account-holder has kept deposited with an authorised dealer or co-operative bank or any other bank or public financial institution which is specially authorised or exempted or permitted in this behalf by the Reserve Bank under the Act the certificates relating to the shares as also an undertaking in writing to the effect that he will not, except with the previous approval of the Reserve Bank, dispose of any of the shares.

5. Amount not to be credited without permission of the Reserve Bank:

No such amount as is referred to in clause (a), clause (b), clause (c) or clause (d) of sub-rule (1) of rule 4 shall be credited to a Non-resident (External) Account unless the Reserve Bank, having regard to the desirability of permitting remittances of funds held in India by non-residents, either by general or special order, gives permission in this behalf.

6. Application for opening a Non-Resident (External) Account:

- (1) If a person resident outside India wishes to open a Non-Resident (External) Account or to convert any other account into a Non-resident (External) Account, he shall make an application in this behalf to an authorised dealer or co-operative bank or any other bank or public financial institution which is specially authorised or exempted or permitted in this behalf by the Reserve Bank under the Act.
- (2) Except where the Reserve Bank, by general or special order, so directs, every application for opening a Non-Resident (External) Account or for converting any account into a Non-Resident (External) Account shall be referred to the Reserve Bank by the authorised dealer or co-operative bank or any other bank or public financial institution which is specially authorised or exempted or permitted in this behalf by the Reserve Bank under the Act together with -
 - (a) in the case of a fresh account, particulars of the sums with which the account is to be opened, or
 - (b) in the case of conversion of an account, a transcript of the operation on the account

required to be converted for the period commencing from the date on which the funds are originally credited to the account to the date of the application.

- (3) The authorised dealer or co-operative bank or any other bank or public financial institution which is specially authorised or exempted or permitted in this behalf by the Reserve Bank under the Act shall also furnish to the Reserve Bank such other particulars as it may require in this behalf.

7. National Defence Remittance Scheme Special Account not to be converted:

Notwithstanding anything contained in rule 6, a National Defence Remittance Scheme Special Account opened in pursuance of the Reserve Bank's A.D. Circular No.39 of 1965 shall not be converted into a Non-Resident (External) Account.

8. Declaration to be furnished:

Every authorised dealer or co-operative bank or any other bank or public financial institution which is specially authorised or exempted or permitted in this behalf by the Reserve Bank under the Act, shall, if so required by the Reserve Bank, furnish to the Reserve Bank or to such authority, and in such form as that Bank may specify, a declaration as at the close of each year that all credits during the year in all the accounts maintained with him have been in conformity with these rules.

*Notification No. F1/67/EC/73-3 dated 1st January 1974
as amended up to 30th October 1996*

Foreign Exchange Regulation Rules, 1974

G.S.R.80 In exercise of the powers conferred by Section 79 of the Foreign Exchange Regulation Act, 1973 (46 of 1973), and in supersession of the Foreign Exchange Regulation Rules, 1952 the Central Government hereby makes the following rules, namely:-

1. Short title and commencement:

- (1) These rules may be called the Foreign Exchange Regulation Rules, 1974.
(2) They shall come into force at once.

2. Definitions:

In these rules unless the context otherwise requires:

- (a) "Act" means the Foreign Exchange Regulation Act, 1973 (46 of 1973);
(b) "Schedule" means a schedule appended to these rules.

3. Service of direction, orders or notices made or issued under the Act, or these rules or under any order or notification made thereunder:

A direction, order or notice made or issued under the Act or these rules or any order or notification made thereunder shall be served on any person in the following manner, that is to say -

(a) by delivering or tendering it to that person or to his duly authorised agent;

or

(b) by sending it to him by registered post with acknowledgement due to the address of his place of residence of his last known place of residence or the place where he carries on, or last carried on, business, personally works, or last worked, for gains;

or

(c) if it cannot be served in any of the manners aforesaid, by affixing it on the outer door or some other conspicuous part of the premises in which that person resides or is known to have last resided or carries on, or last carried on, business, or personally works, or last worked for gain and the written report whereof should be witnessed by two persons.

4. Indication of importer-exporter code number

The importer-exporter code number allotted by the Director General of Foreign Trade under Section 7 of the Foreign Trade (Development & Regulation) Act, 1992 (22 of 1992) shall be indicated on all copies of the GR or PP or VP/COD forms completed and lodged by the exporter or his agent with the Customs or the Postal Authorities and in all correspondence of the exporter with its bank or the Reserve Bank, as the case may be.

5 Form of declarations:

(1) A declaration under Section 18 of the Act shall be in one of the Forms set out in the Second Schedule and as specified therein according to the requirements of the case.

(2) Declarations shall be executed in sets of such number as indicated on the forms.

6 Authority to whom declaration to be furnished:

(1) (a) The declaration form GR shall be submitted in duplicate to the Commissioner of Customs. After duly verifying and authenticating the declaration form, the Commissioner of Customs shall forward the original declaration form to the nearest office of the Reserve Bank and hand over the duplicate form to the exporter for being submitted to the authorised dealer.

- (b) The declaration form PP shall be submitted in duplicate to the authorised dealer in foreign exchange named in the form. The authorised dealer shall, after countersigning the declaration form, hand over the original form to the exporter which shall be submitted to the postal authorities through which the goods are being despatched. The postal authorities, after despatch of the goods, shall forward the declaration form to the nearest office of the Reserve Bank.
 - (c) On realisation of the export proceeds, authorised dealer shall, after due certification, submit the duplicate declaration form to the nearest office of the Reserve Bank.
 - (d) In the case of exports on value payable/cash on delivery basis, the declaration form VP/COD shall be submitted to the postal authorities with the relative parcel at the time of despatch. The postal authority shall send the form to the nearest office of the Reserve Bank.
- (2) The documents pertaining to export shall, within 21 days from the date of export, be submitted to the authorised dealer mentioned in the relevant declaration form, unless the Reserve Bank authorises otherwise.

7. Evidence in support of declaration:

- (1) The Reserve Bank or subject to such directions if any, as may be given by Reserve Bank, the Commissioner of Customs or the postal authorities, may to satisfy themselves of due compliance with Section 18 of the Act, require such evidence in support of the declaration as may satisfy them that the exporter is a person resident in India, and has a place of business in India.
- (2) The Reserve Bank, or subject to such directions, if any, as may be given by the Reserve Bank, the Commissioner of Customs, or the postal authorities may require any exporter to produce in support of the declaration such evidence as may be in his possession or power to satisfy them;
 - (a) that the destination stated on the declaration is the final place of destination of the goods exported;
 - (b) that the value stated in the declaration is -
 - (i) the full export value of the goods;
 - or
 - (ii) where the full export value of the goods is not ascertainable at the time of export the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in the overseas market;

- (c) that the full export value of the goods (whether ascertainable at the time of export or not) has been or will within the prescribed period be, paid in the prescribed manner.

Explanation: For the purpose of this rule 'final place of destination' means a place in a country in which the goods are ultimately imported and cleared through Customs of that country.

8. Period within which export value of goods to be realised:

The amount representing the full export value of goods exported shall be realised and be paid to the authorised dealer on the due date for payment or within six months from the date of shipment of the goods, whichever is earlier.

Provided that, where the goods are exported to a warehouse established outside India with the permission of the Reserve Bank, the amount representing the full export value of goods exported shall be paid to the authorised dealer as soon as it is realised and in any case within fifteen months from the date of shipment of goods.

Provided further that the Reserve Bank may, for sufficient and reasonable cause shown, extend the said period.

9. Manner of payment of export value of goods:

Unless otherwise authorised by the Reserve Bank, the amount representing the full export value of goods exported to the country specified in the Third Schedule shall be paid through an authorised dealer and in the manner specified in the said Schedule.

10. Application for permission to take or send out jewellery and precious stones:

[Deleted in view of deletion of the corresponding provision from Section 13(2) of the Act.]

11. Application for permission to associate with or participation in concerns outside India:

[Deleted in view of deletion of Section 27 of the Act.]

12. Application for permission to practise any profession or carry on any occupation, trade of business in India: (as amended)

An application for permission under Section 30 of the Act by a national of a foreign state to practise any profession or to carry on any occupation, trade, or business in India shall be submitted in form EFN specified in the Sixth Schedule.

FIRST SCHEDULE
(See Rule 4)

(Deleted in view of amendment to Rule 4)

SECOND SCHEDULE

(See Rule 5)

(Part A of this Schedule contains a complete set of forms G.R., P.P. and V.P./C.O.D. Part B of this Schedule specifies the exports for which the different forms should be used. This has been explained in paragraph 6A.3 of the Manual).

THIRD SCHEDULE

(See Rule 9)

[This Schedule contains the names of countries and methods of payment as applicable to them. The methods by which payments for exports from India should be realised have been given in paragraph 2.5 of the Manual]

FOURTH SCHEDULE

(See Rule 10)

(Deleted in view of deletion of Rule 10)

FIFTH SCHEDULE

(See Rule 11)

(Deleted in view of deletion of Rule 11)

SIXTH SCHEDULE

(See Rule 12)

(This Schedule contains specimen form EFN)

SEVENTH SCHEDULE

(See Rule 12)

(Deleted in view of amendment to Rule 12)

Notification No. F1/72/EC/73-16 dated 1st January 1974

Adjudication Proceedings and Appeal Rules, 1974

G.S.R.75 In exercise of the powers conferred by Section 79 of the Foreign Exchange Regulation Act, 1973 (46 of 1973) and in supersession of the Adjudication the Adjudication Proceedings and Appeal Rules, 1957, the Central Government hereby makes the following rules to govern the procedure to be followed in respect of adjudication proceedings and appeals under the said Act, namely:-

1. Short title and commencement:

- (1) These rules may be called the Adjudication Proceedings and Appeal Rules, 1974.
- (2) They shall come into force on the 1st day of January, 1974.

2. Definitions:

In these rules, unless the context otherwise requires,-

- (a) "Act" means the Foreign Exchange Regulation Act, 1973 (46 of 1973);
- (b) "Adjudicating Officer" means the Director of Enforcement or any other officer of Enforcement empowered to adjudicate cases under Section 50;
- (c) "Appellate Board" means the Foreign Exchange Regulation Appellate Board constituted under Section 52;
- (d) "Section" means a section of the Act.

3. Adjudication proceedings:

- (1) In holding an inquiry under Section 51 for the purpose of adjudging under Section 50 whether any person has committed contravention as specified in Section 50, the adjudicating officer shall, in the first instance, issue a notice to such person requiring him to show cause within such period as may be specified in the notice (being not less than ten days from the date of service thereof) why adjudication proceedings should not be held against him.
- (2) Every notice under sub-rule (1) to any such person shall indicate the nature of offence alleged to have been committed by him.
- (3) If after considering the cause, if any, shown by such person, the adjudicating officer is of the opinion that adjudication proceedings should be held, he shall issue a notice fixing a date for the appearance of that person either personally or through his lawyer or other authorised representative.
- (4) On the date fixed, the adjudicating officer shall explain to the person proceeded against or his lawyer or authorised representative, the offence alleged to have been committed by such person indicating the provisions of the Act or of the Rules, directions or orders made thereunder in respect of which contravention is alleged to have taken place.
- (5) The adjudicating officer shall then give an opportunity to such person to produce such documents or evidence as he may consider relevant to the inquiry and if necessary, the hearing may be adjourned to a future date; and in taking such evidence the adjudicating officer shall not be bound to observe the provisions of the Indian Evidence Act, 1872 (1

of 1872).

- (6) If any person fails, neglects or refuses to appear as required by sub-rule (3) before the adjudicating officer, the adjudicating officer may proceed with the inquiry in the absence of such person after recording the reasons for doing so.
- (7) If, upon consideration of the evidence produced before the adjudicating officer, the adjudicating officer is satisfied that the person has committed the contravention he may, by order in writing, impose such penalty as he thinks fit in accordance with the provisions of Section 50.

Provided that the notice referred to in sub-rule (1), and the personal hearing referred to in sub-rules (3), (4) and (5) may, at the request of the person concerned, be waived.

4. Contents of the order of the Adjudicating Officer:

- (1) Every order made under sub-rule (7) of rule 3 shall specify the provisions of the Act or of the rules, directions or orders made thereunder in respect of which contravention has taken place and shall contain brief reasons for such decisions.
- (2) Every such order shall be dated and signed by the adjudicating officer.

5. Copy of the order:

- (1) A copy of the order made under sub-rule (7) of rule 3 shall be supplied free of charge to the person against whom the order is made and all other copies of proceedings shall be supplied to him on payment of copying fee calculated according to the scale prevailing in the State in which the office of the adjudicating officer is situated.
- (2) The copying fee referred to in sub-rule (1) shall be paid in cash.

6. Form of appeal:

- (1) Every appeal presented to the Appellate Board under Section 52 shall be in the form of a memorandum signed by the appellant and the memorandum shall be sent in triplicate and accompanied by three copies of the order appealed against.
- (2) The memorandum shall set forth concisely and under distinct heads the grounds of objection to the order appealed against without any arguments or narrative and such grounds shall be numbered consecutively.

7. Procedure before Appellate Board:

- (1) On receipt of an appeal under rule 6, the Appellate Board shall send a copy of the Memorandum of Appeal, together with a copy of the order appealed against, to the Director of Enforcement.

- (2) The Appellate Board shall then issue notices to the appellant and the Director of Enforcement fixing a date for the hearing of the appeal.
- (3) On the date fixed for the hearing of the appeal, or any other day to which the hearing of the appeal may be adjourned, the appellant as well as the representative of the Directorate of Enforcement shall be heard.
- (4) Where on the date fixed, or any other day to which the hearing of the appeal may be adjourned, the appellant fails to appear when the appeal is called on for hearing, the Appellate Board may decide the appeal on the basis of records of the case.

8. Contents of the Order in Appeal:

- (1) The order of the Appellate Board shall be in writing and shall state briefly the grounds for the decision.
- (2) The order referred to in sub-rule (1) shall be signed by the member or members of the Appellate Board hearing the appeal.

9. Representation of Party:

Any person who has been proceeded against under Section 51, read with Section 50, or who has filed an appeal before the Appellate Board under Section 52, may appoint a pleader, advocate, or any other person to appear and plead and act on his behalf before the adjudicating officer or the Appellate Board in any inquiry or appeal under the Act.

10. Service of Notices and Orders:

A notice or an order issued under these rules shall be served on any person in the following manner, that is to say,

- (a) by delivering or tendering the notice or order to that person or his duly authorised agent;
- (b) by sending the notice or order to him by registered post with acknowledgement due to the address of his place of residence or his last known place of residence or the place where he carries on, or last carried on, business or personally works or last worked for gain;
- (c) if the notice or order cannot be served under clause (a) or clause (b), by affixing it on the outer door or some other conspicuous part of the premises in which the person resides or is known to have last resided, or carried on business or personally works or last worked for gain and the written report thereof should be witnessed by two persons.

Notification No. F1/23/EC/74 dated 21st March 1975

Foreign Exchange Regulation (Publication of Names) Rules, 1975

G.S.R.417 In exercise of the powers conferred by Section 79 of the Foreign Exchange Regulation Act, 1973 (46 of 1973), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue and Insurance) No. G.S.R.211 dated 7th February, 1970, the Central Government hereby makes the following rules, namely:-

1. Short title:

These rules may be called the Foreign Exchange Regulation (Publication of Names) Rules, 1975.

2. Definitions:

In these rules, unless the context otherwise requires, -

- (a) "Act" means the Foreign Exchange Regulation Act, 1973 (46 of 1973);
- (b) "adjudicating officer" means an adjudicating officer within the meaning of Section 50 of the Act;
- (c) "Director" means a Director of Enforcement appointed under the Act;
- (d) "Section" means a section of the Act.

3. Publication of names and other particulars of persons:

(1) Subject to the provisions of sub-rule (3) and of rule 4, the Director shall, once in every three months, caused to be published in the Official Gazette the names and addresses and other particulars specified in sub-rule (2), of the following categories of persons, namely:-

- (a) persons who have been convicted by a court under Section 56;
- (b) persons who have been adjudged as liable to penalty by the adjudicating officer under Section 50, where -
 - (i) the persons had, on a previous occasion, been similarly adjudged by the adjudicating officer or convicted by a court;

or

- (ii) the penalty imposed together with the value of the Indian currency or foreign exchange ordered to be confiscated, by the adjudicating officer, is Rs.10,000/-

or above.

- (2) The other particulars referred to in sub-rule (1) are:-
- (a) the provisions of the Act or of the Foreign Exchange Regulation Act, 1947 (7 of 1947) contravened;
 - (b) the particulars regarding the penalty imposed;
 - (c) where the court or the adjudicating officer, has decided confiscation under Section 63, the particulars regarding the confiscation;
- and
- (d) where the court or the adjudicating officer has directed that the foreign exchange holdings of the person convicted or adjudged, as the case may be, should be brought back into India, the particulars regarding such direction.

Explanation: In the case of a firm, company or other association of persons, the names of partners of the firm, directors, managing agents, secretaries and treasurers, or manager of the company, or the members of the association, as the case may be, may also be published if, in the opinion of the Director, the circumstances of the case justify such publications.

- (3) Notwithstanding anything contained in sub-rule (1), the Central Government may, if it is satisfied that it is necessary or expedient in the public interest so to do, direct the Directors to publish the names, addresses and other particulars specified in sub-rule (2), of any other person who has been held guilty of any contravention of the provisions of the Act or of the Foreign Exchange Regulation Act, 1947 (7 of 1947), or of any rule, order or direction made thereunder.
- (4) Notwithstanding anything contained in this rule, the Central Government may, if it is satisfied that it is necessary or expedient in the interest of investigations under the Act, security of the State or friendly relations with foreign States or otherwise in the interest of general public, so to do, direct the Director that names of any persons may not be published.

4. **Publication under rule 3 to be made after the specified period:**

No publication under rule 3 shall be made in respect of a person, until the period for preparing an appeal to the Foreign Exchange Regulation Appellate Board under Section 52 or to the High Court under Section 54 has expired without an appeal having been preferred or such appeal having been preferred, has been disposed of.

Notification No.1/92/EC/75 dated 23rd August 1976

Foreign Exchange Regulation (Authentication of Documents) Rules, 1976

G.S.R.1303. In exercise of the powers conferred by clause (ii) of Section 72 and clause (e) of sub-section (2) of Section 79 of the Foreign Exchange Regulation Act, 1973 (46 of 1973), the Central Government hereby makes the following rules, namely:-

1. Short title:

These rules may be called the Foreign Exchange Regulation (Authentication of Documents) Rules, 1976.

2. Authority for authentication and the manner of authentication of documents:

Any document received from any place outside India purporting to have affixed, impressed or submitted thereon or thereto the seal and signature of any person who is authorised by Section 3 of the Diplomatic and Consular Officers (Oaths and Fees) Act, 1948 (41 of 1948) to do any notarial acts shall be deemed to be duly authenticated for the purposes of Section 72 of the Foreign Exchange Regulation Act, 1973 (46 of 1973).

Notification No. F1/68/EC/74 dated 15th April 1977

Foreign Exchange Regulation (Encashment of Draft, Cheque or other Instrument) Rules, 1977

G.S.R.553 In exercise of the powers conferred by Section 79, read with sub-section (2) of Section 42 of the Foreign Exchange Regulation Act, 1973 (46 of 1973), the Central Government hereby makes the following rules, namely:-

1. Short title and commencement:

- (1) These rules may be called the Foreign Exchange Regulation (Encashment of Draft, Cheque or other Instrument) Rules, 1977.
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions:

In these rules, unless the context otherwise requires, -

- (a) "Act" means the Foreign Exchange Regulation Act, 1973 (46 of 1973);
- (b) "Agency" means an authorised dealer as defined in clause (b) of Section 2 of the Act;
- (c) "Cheque" includes a traveller's cheque;
- (d) "Officer" means the Collector of Customs or the Director of Enforcement.

3. Delivery of draft, cheque or other instrument for encashment:

As soon as may be after a direction under sub-section (1) of Section 42 of the Act has been made,

- (a) In a case where the direction has been made by an officer, the officer making the direction;

or

- (b) in a case where the direction has been made by a court, the officer on whose application the direction was made, shall cause the draft, cheque or other instrument to be delivered for encashment to the Reserve Bank or to such agency as the officer or the court, as the case may be, may specify.

4. Encashment of draft, cheque or other instrument:

The Reserve Bank or the agency shall take steps without delay for encashing the draft, cheque or other instrument and, on such encashment, shall credit the proceeds realised (less any commission and expenses incurred for such encashment) to a separate account in the name of the Customs Department or the Directorate of Enforcement, as the case may be.

5. Indemnity:

The Central Government shall indemnify the Reserve Bank or the agency against any liability which the Reserve Bank or the agency may incur by reason of, or in connection with, the encashment of the draft, cheque or other instrument delivered to it.

6. Direction for payment of the proceeds:

Where it has been decided that any draft, cheque or other instrument is not to be confiscated,
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- (a) in a case where the direction has been made by an officer, the officer making the direction shall,

or

- (b) in a case where the direction has been made by a court, the officer on whose application the direction was made shall apply to the court to, specify the person to whom the proceeds of the draft, cheque or other instrument may be paid and the currency and the manner in which such payment is to be made.

7. Payment of the proceeds and interest:

- (1) On a direction being made under rule 6, the officer referred to in the said rule shall

cause to be paid to the person specified in the direction, and in such currency and in such manner as may be specified therein, the proceeds of the draft, cheque or other instrument together with interest as provided for in sub-section (3) of Section 42 of the Act.

- (2) Where an order is made for confiscation of any draft, cheque or other instrument, a copy of such order shall be forwarded to the Reserve Bank or the agency, by the officer or the court making the order of confiscation, and thereupon the Reserve Bank or the agency shall credit to the account of the Central Government, the amount realised out of such draft, cheque or other instrument, together with interest, if any, on such account as credited under rule 4.