



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2015-16/67

Master Circular No.9/2015-16

July 01, 2015

To,

All Authorised Dealer Category - I Banks and Authorised Banks

Madam / Sir,

Master Circular on Compounding of Contraventions under FEMA, 1999

The compounding of contraventions under Foreign Exchange Management Act (FEMA), 1999 is a voluntary process by which an applicant can seek compounding of an admitted contravention of any provision of FEMA, 1999 under Section 13(1) of the FEMA, 1999.

2. This Master Circular consolidates the existing instructions on the subject of "**Compounding of Contraventions under FEMA, 1999**" at one place. The list of underlying circulars / notifications, consolidated in this Master Circular, is furnished in the Appendix.

3. This Master Circular is being updated from time to time as and when the fresh instructions are issued. The date up to which the Master Circular has been updated is suitably indicated.

4. This Master Circular may be referred to for general guidance. The Authorised Persons and the Authorised Dealer Category – I banks may refer to respective circulars/ notifications for detailed information, if so needed.

Yours faithfully,

(B.P.Kanungo)

Principal Chief General Manager

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1. General

1.1 In terms of Section 13(1) , Chapter IV of FEMA 1999, if any person contravenes any provision of FEMA, 1999, or any rule, regulation, notification, direction or order issued in exercise of the powers under this Act, or contravenes any condition subject to which an authorization is issued by the Reserve Bank, he shall, upon adjudication, be liable to a penalty up to thrice the sum involved in such contravention where the amount is quantifiable or up to Rupees Two lakhs, where the amount is not quantifiable and where the contravention is a continuing one, further penalty which may extend to Rupees Five thousand for every day after the first day during which the contravention continues. The provisions of Section 15 of FEMA, 1999 permit compounding of contraventions and empower the Compounding Authority to compound any contravention as defined under Section 13 of the Act on an application made by the person committing such contravention. In terms of rule 4 of the Foreign Exchange (Compounding Proceedings) Rules, 2000, the powers to compound the contraventions have been prescribed for compounding authorities with regard to the sum involved in such contravention and no contravention shall be compounded unless the amount involved in the contravention is quantifiable.

1.2 The Government of India has, in consultation with the Reserve Bank placed the responsibility of administering compounding of contraventions with the Reserve Bank, except contraventions under Section 3(a) of FEMA, 1999. Accordingly, Foreign Exchange (Compounding Proceedings) Rules, 2000 have been framed by the Government of India empowering the Reserve Bank to compound contraventions under FEMA, 1999 with a view to provide comfort to individuals and corporate community by minimizing transaction costs, while taking severe view of willful, *malafide* and fraudulent transactions.

2. Compounding Powers

2.1 The compounding powers of the Reserve Bank and the Directorate of Enforcement (DoE), respectively, are as under:

(a) Reserve Bank has been empowered to compound the contraventions of all the Sections of FEMA, 1999, except clause (a) of Section 3 of the Act, *ibid*.

(b) Directorate of Enforcement would exercise powers of compounding under clause (a) of Section 3 of FEMA, 1999 (dealing essentially with Hawala transactions).

2.2 For effective implementation of compounding process under FEMA, 1999, the Government of India has framed the procedure for compounding of contraventions. Once a contravention has been compounded by the Compounding Authority, no

proceeding or further proceeding will be initiated or continued, as the case may be, against the contravener.

3. Delegation of Powers

3.1 As a measure of customer service and in order to facilitate the operational convenience, compounding powers were delegated to the Regional Offices of the Reserve Bank of India to compound the following contraventions of FEMA , 1999:

Sr. No.	FEMA Regulation	Brief Description of Contravention
1	Paragraph 9(1)(A) of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Delay in reporting inward remittance received for issue of shares.
2	Paragraph 9(1)(B) of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Delay in filing form FC(GPR) after issue of shares.
3	Paragraph 8 of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Delay in issue of shares/refund of share application money beyond 180 days, mode of receipt of funds, etc.
4	Paragraph 5 of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Violation of pricing guidelines for issue of shares.
5	Regulation 2(ii) read with Regulation 5(1) of FEMA 20/2000-RB dated May 3, 2000	Issue of ineligible instruments such as non-convertible debentures, partly paid shares, shares with optionality clause, etc.
6	Paragraph 2 or 3 of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Issue of shares without approval of RBI or FIPB respectively, wherever required.
7	Regulation 10A (b)(i) read with paragraph 10 of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Delay in submission of form FC-TRS on transfer of shares from Resident to Non-Resident.
8	Regulation 10B (2) read with paragraph 10 of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Delay in submission of form FC-TRS on transfer of shares from Non-Resident to Resident.
9	Regulation 4 of FEMA 20/2000-RB dated May 3, 2000	Taking on record transfer of shares by investee company, in the absence of certified form FC-TRS.

The work of three divisions of Foreign Investment Division (FID) viz. Liaison/ Branch/ Project office(LO/ BO/ PO) division, Non Resident Foreign Account Division (NRFAD) and Immovable Property (IP) Division has been transferred to FED, CO

Cell, New Delhi with effect from July 15, 2014. Accordingly the officers attached to the FED, CO, Cell at New Delhi office are now authorized to compound the contraventions as under:

Sr. No.	FEMA Notification	Brief Description of Contravention
1	FEMA 7/2000-RB, dated 3-5-2000	Contraventions relating to acquisition and transfer of immovable property outside India
2	FEMA 21/2000-RB, dated 3-5-2000	Contraventions relating to acquisition and transfer of immovable property in India
3	FEMA 22/2000-RB, dated 3-5-2000	Contraventions relating to establishment in India of Branch office ,Liaison Office or Project office
4	FEMA 5/2000-RB, dated 3-5-2000	Contraventions falling under Foreign Exchange Management (Deposit) Regulations , 2000

3.2 The above contraventions can be compounded by all Regional Offices (except Kochi and Panaji) without any limit on the amount of contravention. Kochi and Panaji Regional offices can compound the above contraventions for amount of contravention below Rupees one hundred lakh (Rs.1,00,00,000/-). The contraventions above Rupees one hundred lakh (Rs.1,00,00,000/-) under the jurisdiction of Panaji and Kochi Regional Offices and all other contraventions of FEMA will continue to be compounded at Cell for Effective Implementation of FEMA (CEFA), Mumbai, as hitherto.

3.3. Accordingly, applications for compounding related to the above contraventions may be submitted by the concerned entities to the respective Regional Offices under whose jurisdiction they fall or to FED, CO Cell, New Delhi, as applicable. For **all other** contraventions, applications may continue to be submitted to CEFA, Foreign Exchange Department, 5th floor, Amar Building, Sir P.M.Road, Fort, Mumbai 400001.

(As amended vide [A.P. \(DIR Series\) Circular No. 36 dated October 16, 2014](#))

4. Process of Compounding

4.1 An application for compounding of a contravention under FEMA, 1999 may be submitted to the Compounding Authority (CA) on being advised of a contravention under FEMA, 1999, either through a memorandum or *suo moto* on being made or on becoming aware of the contravention. The format of the application is appended to the Foreign Exchange (Compounding Proceedings) Rules, 2000 (Annex-I).

4.2 Along with the application in the prescribed format, the applicant may also furnish the details as per the enclosed Annexes (Annex-II) relating to Foreign Direct Investment, External Commercial Borrowings, Overseas Direct Investment and Branch Office / Liaison Office, as applicable, a copy of the Memorandum of Association and latest audited balance sheet along with an undertaking that they are not under investigation of any agency such as DOE, CBI, etc. (Annex-III) in order to complete the compounding process within the time frame.

4.3 All applications for compounding whether on the advice of the Regional Office concerned or *suo-moto*, relating to the contraventions mentioned at paragraph 3.1 and 3.2 above and up to the amount of contravention stated therein, may be submitted by the companies/individuals falling under the jurisdiction of the aforesaid Regional Offices directly to the Regional Office concerned, together with the prescribed fee of Rs.5000/- by way of a demand draft drawn in favour of "Reserve Bank of India" and payable at the concerned Regional Office. Applications for compounding of all other contraventions together with the prescribed fee of Rs.5000/- by way of a demand draft drawn in favour of "Reserve Bank of India" and payable at Mumbai may be submitted to: The Compounding Authority, [Cell for Effective implementation of FEMA (CEFA)], Foreign Exchange Department, 5th floor, Amar Building, Sir P.M. Road, Fort, Mumbai- 400001.

4.4 On receipt of the application for compounding, the proceedings would be concluded and an order issued by the CA within 180 days from the date of the receipt of the application for compounding. The time limit for this purpose would be reckoned from the date of receipt of the completed application for compounding by the Reserve Bank.

4.5 The CA may call for any additional information, record or any other document relevant to the compounding proceedings. Such additional information/ documents are required to be submitted within the period as may be specified by the CA and the application may be rejected if such information/documents are not submitted within the prescribed time.

4.6 The application will be examined in terms of sub rule (1) of rule (4) of the Foreign Exchange (Compounding Proceedings) Rules, 2000 to assess whether the contravention is compoundable and the amount of contravention is accordingly quantified.

4.7 The nature of contravention is ascertained keeping in view, inter alia, the following indicative points :

- a. whether the contravention is technical and / or minor in nature and needs only an administrative cautionary advice;
- b. whether the contravention is serious in nature and warrants compounding of the contravention; and
- c. whether the contravention, prima facie, involves money-laundering, national and security concerns involving serious infringement of the regulatory framework.

However, the Reserve Bank reserves the right to classify the contraventions as stated above and neither the contravener nor others have any right to classify any contravention as technical suo moto.

4.8 It is clarified that whenever a contravention is identified by the Reserve Bank or brought to its notice by the entity involved in contravention by way of a reference other than through the prescribed application for compounding, the Bank will continue to decide (i) whether a contravention is technical and/or minor in nature and, as such, can be dealt with by way of an administrative/ cautionary advice; (ii) whether it is material and, hence, is required to be compounded for which the necessary compounding procedure has to be followed or (iii) whether the issues involved are sensitive / serious in nature and, therefore, need to be referred to the Directorate of Enforcement (DOE). However, once a compounding application is filed by the concerned entity suo moto, admitting the contravention, the same will not be considered as 'technical' or 'minor' in nature and the compounding process shall be initiated in terms of section 15 (1) of Foreign Exchange Management Act, 1999 read with Rule 9 of Foreign Exchange (Compounding Proceedings) Rules, 2000.

4.9 The disposal of the compounding application is made by issue of a Compounding Order specifying the provisions of FEMA,1999 or any rule, regulation, notification, direction or order issued in exercise of the powers under FEMA, 1999, in respect of which contravention has taken place.

4.10 Where there is sufficient cause for further investigation, the Reserve Bank may refer the matter to the Directorate of Enforcement for further investigation and necessary action under FEMA, 1999, or to the Anti- Money Laundering Authority

instituted under the Prevention of Money Laundering Act (PMLA), 2002 or to any other agencies, as deemed fit. Such applications will be disposed of by returning the application to the applicant.

5. Scope and Manner of Compounding

5.1 The CA will exercise jurisdiction in respect of the contraventions admitted to have been committed in relation to any of the provisions of the FEMA, 1999, or any rule, regulation, notification, direction or order issued in exercise of the powers under FEMA, 1999.

5.2 The application for compounding will be disposed of on merits, upon consideration of the records and submissions and at the absolute discretion of the CA. The following factors, which are only indicative, may be taken into consideration for the purpose of passing the Compounding Order and for arriving at the quantum of sum on payment of which contravention shall be compounded:

- (i) the amount of gain of unfair advantage, wherever quantifiable, made as a result of the contravention;
- (ii) the amount of loss caused to any authority / agency / exchequer as a result of the contravention;
- (iii) economic benefits accruing to the contravener from delayed compliance or compliance avoided;
- (iv) the repetitive nature of the contravention, the track record and / or history of non-compliance of the contravener;
- (v) contravener's conduct in undertaking the transaction and disclosure of full facts in the application and submissions made during the personal hearing; and
- (vi) any other factor considered relevant and appropriate.

6. Issue of the Compounding Order

6.1 An opportunity for personal hearing is given to the applicant for further submission of documents in person in support of the application within a specified period. The contravener or its authorized representative can choose not to appear in person or make any submissions before the CA for personal hearing. The CA will proceed with the processing of the compounding application on the basis of information and documents available in the application for compounding.

6.1.1 It is clarified that appearing for a personal hearing before the compounding authority is optional and the applicant can choose not to appear for it. The applicant may enclose full information relating to the case as prescribed in [AP \(Dir series\)](#)

[Circular Nos. 56](#) and [57](#) dated June 28, 2010 and December 13, 2011 respectively, with the application or thereafter and may exercise his discretion with regard to appearing for hearing. Further, if the applicant opts for appearing for the personal hearing, the Reserve Bank would encourage the applicant to appear directly for it rather than being represented / accompanied by legal experts / consultants, as compounding is only for admitted contraventions. (as amended vide [Press release no. 2012-2013/1215 dated January 18, 2013](#))

6.2 The Compounding Authority will pass a compounding order on the basis of the averments made in the application as well as other documents and submissions made in this context by the contravener during the personal hearings, if any.

6.3 Where the compounding of any contravention is made after making of a complaint under sub-section (3) of section 16 of FEMA, 1999 as the case may be, one copy of the compounding order made under sub rule (2) of Rule 8 of Foreign Exchange (Compounding Proceedings) Rules, 2000 will be provided to the applicant (the contravener) and also to the Adjudicating Authority.

7. Post-compounding procedure

7.1 The sum for which the contravention is compounded as specified in the order of compounding under sub-rule (2) of Rule 8 of Foreign Exchange (Compounding Proceedings) Rules, 2000 is payable by way of a demand draft in favour of the "Reserve Bank of India" within fifteen days from the date of the order of compounding of such contravention. The demand draft has to be deposited in the manner as directed in the compounding order.

7.2 On realization of the demand draft for the sum for which contravention is compounded, a certificate in this regard shall be issued by the Reserve Bank subject to the specified conditions, if any, in the order.

7.3 The provisions of the Rules do not confer any right on the contravener, after a compounding order is passed, to seek to withdraw the order or to hold the compounding order as void or request a review of the order passed by the CA.

7.4 In case of failure to pay the sum compounded within the time specified in the compounding order, it shall be deemed in terms of Rule 10 of the Foreign Exchange (Compounding Proceedings) Rules, 2000, that the contravener had never made an application for compounding of any contravention under these Rules.

7.5 In respect of the contraventions of FEMA, 1999 (as defined in section 13 of the FEMA, 1999), which are not compounded by the Compounding Authority, other

relevant provisions of FEMA, 1999, including reference to the Directorate of Enforcement shall apply.

8. Pre-requisites for compounding process

8.1 In respect of a contravention committed by any person within a period of three years from the date on which a similar contravention committed by him was compounded under the Compounding Rules, such contraventions would not be compounded. Such contravention would be dealt with under relevant provisions of the FEMA, 1999 for contravention. Any second or subsequent contravention committed after the expiry of a period of three years from the date on which the contravention was previously compounded shall be deemed to be a first contravention.

8.2 Contraventions relating to any transaction where proper approvals or permission from the Government or statutory authority concerned, as the case may be, have not been obtained, such contraventions would not be compounded unless the required approvals are obtained from the authorities concerned.

In case the application has to be returned for this reason or any other reason, the application fees of Rs.5000/- received along with the application fees is also returned. To expedite the refund of compounding fees in such cases, it has been decided to credit the same to the applicant's account through NEFT. The applicants are advised to furnish their mandate and details of their bank account as per Annex IV along with the application in the prescribed format and other documents required to be submitted in terms of the instructions contained in [AP \(Dir series\) Circular Nos. 56](#) and [57](#) dated June 28, 2010 and December 13, 2011 respectively.

8.3 Cases of contravention, such as, those having a money laundering angle, national security concern and / or involving serious infringements of the regulatory framework or where the contravener fails to pay the sum for which contravention was compounded within the specified period in terms of the compounding order, shall be referred to the Directorate of Enforcement for further investigation and necessary action under FEMA, 1999 or to the authority instituted for implementation of the Prevention of Money Laundering Act 2002, (PMLA) or to any other agencies, for necessary action, as deemed fit.

8.4 The Reserve Bank generally advises the persons concerned of their choice and option to make an application for compounding as and when such contraventions come to its notice. The facts constituting such contraventions will be brought to the

notice of the Directorate of Enforcement in case no application for compounding is made within the time indicated by the Reserve Bank.

Authorised Dealers may take necessary steps to ensure that checks and balances are incorporated in systems relating to dealing with and reporting of foreign exchange transactions to Reserve Bank so that contraventions of provisions of FEMA, 1999 due to the acts of omission and commission of the Authorised Dealers do not occur. In terms of Section 11(3) of FEMA, 1999, the Reserve Bank may impose on the authorized person a penalty for contravening any direction given by the Reserve Bank under this Act or failing to file any return as directed by the Reserve Bank. (as amended vide [AP DIR Circular No.76 dated January 17, 2013](#)).

Foreign Exchange (Compounding Proceedings) Rules, 2000

Notification No. G.S.R.383(E) dated 3rd May 2000

As amended vide

G.S.R.443(E) dated November 2, 2002

G.S.R. 609 (E) dated September 13, 2004 and

G.S.R. 613 (E) dated August 27, 2008

In exercise of the powers conferred by section 46 read with sub-section (1) of section 15 of the Foreign Exchange Management Act, 1999 (42 of 1999) the Central Government hereby makes the following rules relating to compounding contraventions under chapter IV of the said Act, namely:-

1. Short title and commencement –

(1) These rules may be called the Foreign Exchange (Compounding Proceedings) Rules 2000.

(2) They shall come into force on the 1st day of June, 2000.

2. Definitions - In these rules, unless the context otherwise requires -

(a) 'Act' means the Foreign Exchange Management Act, 1999 (42 of 1999);

(b) 'authorised officer' means an officer authorised under sub-rule (1) of rule 3;

(c) 'applicant' means a person who makes an application under section 15 (1) of the Act to the compounding authority;

(d) 'Compounding Order' means an order issued under sub-section (1) of Section 15 of the Act;

(e) 'Form' means a form appended to these rules;

(f) 'section' means a section of the Act;

(g) all other words and expressions used in these rules and not defined but defined in the Act, shall have the meaning respectively assigned to them in the Act.

3. (1) 'Compounding Authority' means the persons authorised by the Central Government under sub-section (1) of section 15 of the Act, namely;

(a) an officer of the Enforcement Directorate not below the rank of Deputy Director or Deputy Legal Adviser (DLA).

(b) An officer of the Reserve Bank of India not below the rank of the Assistant General Manager.

4. Power of Reserve Bank to compound contravention -

¹[(1) If any Person contravenes any provisions of Foreign Exchange Management Act, 1999 (42 of 1999) except clause (a) of Section 3 of the Act.]

- (a) in case where the sum involved in such contravention is ten lakhs rupees or below, by the Assistant General Manager of the Reserve Bank of India;
- (b) in case where the sum involved in such contravention is more than rupees ten lakhs but less than rupees forty lakhs, by the Deputy General Manager of Reserve Bank of India;
- (c) in case where the sum involved in the contravention is rupees forty lakhs or more but less than rupees hundred lakhs by the General Manager of Reserve Bank of India;
- (d) in case the sum involved in such contravention is rupees one hundred lakhs or more, by the Chief General Manager of the Reserve Bank of India;

Provided further that no contravention shall be compounded unless the amount involved in such contravention is quantifiable.

(2) Nothing contained in sub-section (1) shall apply to a contravention committed by any person within a period of three years from the date on which a similar contravention committed by him was compounded under these rules.

Explanation: For the purposes of this rule, any second or subsequent contravention committed after the expiry of a period of three years from the date on which the contravention was previously compounded shall be deemed to be a first contravention.

(3) Every officer specified under sub-rule (1) of rule 4 of the Reserve Bank of India shall exercise the powers to compound any contravention subject to the direction, control and supervision of the Governor of the Reserve Bank of India.

(4) Every application for compounding any contravention under this rule shall be made in Form to the Reserve Bank of India, Exchange Control Department, Central Office, Mumbai along with a fee of Rs. 5000/- by Demand Draft in favour of compounding authority.

5. The Power of Enforcement Directorate to compound contraventions -

²[(1) If any Person contravenes provisions of Section 3(a) of Foreign Exchange Management Act.]

- (a) in case where the sum involved in such contravention is five lakhs rupees or below, by the Deputy Director of the Directorate of Enforcement;
- (b) in case where the sum involved in such contravention is more than rupees five lakhs but less than rupees ten lakhs, by the Additional Director of the Directorate of Enforcement;

(c) in case where the sum involved in the contravention is rupees ten lakhs or more but less than fifty lakhs rupees by the Special Director of the Directorate of Enforcement;

(d) in case where the sum involved in the contravention is rupees fifty lakhs or more but less than one crore rupees by Special Director with Deputy Legal Adviser of the Directorate of Enforcement;

(e) in case the sum involved in such contravention is one crore rupees or more, by the Director of Enforcement with Special Director of the Enforcement Directorate.

Provided further that no contravention shall be compounded unless the amount involved in such contravention is quantifiable.

(2) Nothing contained in sub-section (1) shall apply to a contravention committed by any person within a period of three years from the date on which a similar contravention committed by him was compounded under these rules.

Explanation: For the purposes of this rule, any second or subsequent contravention committed after the expiry of a period of three years from the date on which the contravention was previously compounded shall be deemed to be a first contravention.

(3) Every officer of the Directorate of Enforcement specified under sub-rule (1) of this rule shall exercise the powers to compound any contravention subject to the direction, control and supervision of the Director of Enforcement.

(4) Every application for compounding any contravention under this rule shall be made in Form to the Director, Directorate of Enforcement, New Delhi, along with a fee of Rs.5000 by DD in favour of the Compounding Authority.

6. Where any contravention is compounded before the adjudication of any contravention under section 16, no inquiry shall be held for adjudication of such contravention in relation to such contravention against the person in relation to whom the contravention is so compounded.

7. Where the compounding of any contravention is made after making of a complaint under sub-section (3) of section 16, such compounding shall be brought by the authority specified in rule 4 or rule 5 in writing, to the notice of the Adjudicating Authority and on such notice of the compounding of the contravention being given, the person in relation to whom the contravention is so compounded shall be discharged.

8. Procedure for Compounding -

(1) The Compounding Authority may call for any information, record or any other documents relevant to the compounding proceedings.

(2) The Compounding Authority shall pass an order of compounding after affording an opportunity of being heard to all the concerned as expeditiously as possible as and not later than 180 days from the date of application.

9. Payment of amount compounded -

³The sum for which the contravention is compounded as specified in the order of compounding under sub-rule (2) of rule 8, shall be paid by demand draft in favour of the Compounding Authority within fifteen days from the date of the order of compounding of such contravention.

10. In case a person fails to pay the sum compounded in accordance with the rule 9 within the time specified in that rule, he shall be deemed to have never made an application for compounding of any contravention under these rules and the provisions of the Act for contravention shall apply to him.

11. No contravention shall be compounded if an appeal has been filed under section 17 or section 19 of the Act.

12. Contents of the order of the Compounding Authority -

(1) Every order shall specify the provisions of the Act or of the rules, directions, requisitions or orders made there under in respect of which contravention has taken place along with details of the alleged contravention.

(2) Every such order shall be dated and signed by the Compounding Authority under his seal.

13. **Copy of the order** - One copy of the order made under rule 8(2) shall be supplied to the applicant and the Adjudicating Authority as the case may be.

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Format of Application

Form

(See Rule 4 or 5)

(To be filled in duplicate and shall be accompanied
by certified copy of the Memorandum issued)

1. Name of the applicant (in BLOCK LETTERS)
2. Full address of the applicant (including Phone and Fax Number and email id)
3. Whether the applicant is resident in India or resident outside India [Please refer to Section 2(v) of the Act]
4. Name of the Adjudicating Authority before whom the case is pending
5. Nature of the contravention [according to sub-section (1) of Section 13]
6. Brief facts of the case
7. Details of fee for application of compounding
8. Any other information relevant to the case

I/We declare that the particulars given above are true and correct to the best of my/our knowledge and belief and that I/We am/are willing to accept any direction/order of the Compounding Authority in connection with compounding of my/our case.

Dated :

(Signature of the Applicant)

Name

**Details to be furnished along with application for compounding of
contravention relating to Foreign Direct Investment in India**

- ❖ Name of the applicant
- ❖ Date of incorporation
- ❖ Income-tax PAN
- ❖ Nature of activities under taken (Please give NIC code – 1987 / 2008)
- ❖ Brief particulars about the foreign investor
- ❖ Details of foreign inward remittances received by Applicant Company from date of incorporation till date

Table A

Sl.No.	Name of Remitter	Total Amount (INR)	Date of Receipt	Reported to RBI on*	Delay if any
	Total				

* date of reporting to RBI and not AD

Table B

Name of Investor	Date of allotment of shares	Number of shares allotted	Amount for which shares allotted	Date of reporting to RBI*	Delay if any
	Total				

* date of reporting to RBI and not AD

Table C

Sl. No.	Name of Remitter	Total Amount (INR)	Date of Receipt	Excess share application money	Date of refund of share application money	Amount in forex	RBI approval letter and date
	Total						

Table D

Authorised Capital

Sl. No.	Date	Authorised Capital	With effect from	Date of Board meeting	Date of filing with ROC

A= B+C

Please give supporting documents

Table A- Copies of FIRC with date stamp of receipt at RBI

Table B- Copies of FCGPR with date stamp of receipt at RBI

Table C – letter seeking refund/ allotment of shares- approval letter from RBI A2 form

- ❖ Copies of Balance Sheet during the period of receipt of share application money
- ❖ and allotment of shares
- ❖ Nature of contravention and reasons for the contravention

**Details to be furnished along with application for compounding of
contravention relating to External Commercial Borrowing**

- ❖ Name of the applicant
- ❖ Date of incorporation
- ❖ Income-tax PAN
- ❖ Nature of activities under taken (Please give NIC code – 1987)
- ❖ Brief particulars about the foreign lender
- ❖ Is the applicant an eligible borrower?
- ❖ Is the lender eligible lender?
- ❖ Is the lender an equity holder?
- ❖ What is the level of his holding at the time of loan agreement?
- ❖ Details of ECB
- ❖ Date of Loan agreement
- ❖ Amount in Foreign Currency and Indian Rupee
- ❖ Rate of interest
- ❖ Period of loan
- ❖ Repayment particulars
- ❖ Details of draw down

Date of draw down	Amount in Foreign Currency	Amount in INR
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- ❖ Details of LRN Number- application and receipt
- ❖ Details of ECB 2 returns submitted; Period of return: Date of submission
- ❖ Details of Utilization of ECB in Foreign Currency and Indian Rupee
- ❖ Nature of contravention and reasons for the contravention
- ❖ All supporting documents may be submitted

**Details to be furnished along with application for compounding of
contravention relating to Overseas Investment**

- ❖ Name of the applicant
- ❖ Date of incorporation
- ❖ Income-tax PAN
- ❖ Nature of activities under taken (Please give NIC code – 1987)
- ❖ Name of Overseas entity
- ❖ Date of incorporation of overseas entity
- ❖ Nature of activities under taken by overseas entity
- ❖ Nature of entity- WOS/JV
- ❖ Details of remittance sent- Date of remittance; Amount in FCY and in INR
- ❖ Details of other financial Commitment
- ❖ Details of UIN applied and received
- ❖ Date of receipt of share certificate
- ❖ Approval of other regulators if required
- ❖ Details of APRs submitted: For the period ended; date of submission
- ❖ Nature of contravention and reasons for the contravention
- ❖ All supporting documents may be submitted

Annex II - Branch Office / Liaison Office

Details to be furnished along with application for compounding of contravention relating to Branch/Liaison Office in India

- ❖ Name of the applicant
- ❖ Date of incorporation
- ❖ Income-tax PAN
- ❖ Nature of activities under taken (Please give NIC code – 1987)
- ❖ Date of approval for opening of Liaison Office/ Branch Office
- ❖ Validity period of the approval
- ❖ Income and expenditure of the LO/BO
- ❖ Dates of submission of Annual activity Certificates
- ❖ Nature of contravention and reasons for the contravention
- ❖ All supporting documents may be submitted

UNDERTAKING

(On the letterhead of the applicant)

***I/We _____ (Name of the applicant) hereby confirm/declare that I/we am/are not under investigation of any agency such as Directorate of Enforcement, CBI etc.**

OR

***I/We _____ (Name of the applicant) hereby confirm/declare that I/we am/are or was/were under investigation of any agency such as Directorate of Enforcement, CBI etc. and the details are given in the Annex
(* Strike out one)**

Signature of the authorised signatory

ELECTRONIC CLEARING SERVICE (ECS)

MANDATE FORM

1. Name of the Party (Beneficiary) -
2. PAN
3. Particulars of the Bank Account -
 - A. Name of the Bank -
 - B. Name of the Branch -

Address:

Telephone No:
 - C. Type of Account - SAVINGS / CURRENT
 - D. Account No. -
(as appearing on the cheque book issued by the Bank)
 - E. The 9 Digit MICR Code Number -
(as appearing on the cheque book issued by the Bank)
 - F. IFSC Code -
(as appearing on the cheque book issued by the Bank)

4. Checklist for Attachments:
Photocopy of PAN Card
Photocopy of a cancelled blank cheque

5. I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I/We would not hold the user institution responsible.

Date :
Signatory)

Signature of the Authorised Signatory
(Name of the Authorised

Place :

Official Stamp

**List of Rules/ A.P. (DIR Series) Circulars consolidated
in the Master Circular Compounding of contraventions of FEMA, 1999**

Rules SI No	Rules No.	Date
1	Foreign Exchange (Compounding Proceedings) Rules, 2000	May 3, 2000
2	Foreign Exchange (Compounding Proceedings) Rules, 2002 (Amendment)	November 2, 2002
3	Foreign Exchange (Compounding Proceedings) Rules, 2004 (Amendment)	September 13, 2004
4	Foreign Exchange (Compounding Proceedings) Rules, 2004 (Amendment)	August 27, 2008

[A.P.\(DIR Series\) Circular No. 56 dated June 28, 2010.](#)

[A.P.\(DIR Series\) Circular No. 57 dated December 13, 2011.](#)

[A.P.\(DIR Series\) Circular No. 11 dated July 31, 2012.](#)

[A.P.\(DIR Series\) Circular No. 76 dated January 17, 2013.](#)

[Press release no. 2012-2013/1215 dated January 18, 2013.](#)

[A.P.\(DIR Series\) Circular No. 20 dated August 12, 2013.](#)

[A.P.\(DIR Series\) Circular No.117 dated April 4, 2014](#)

[A.P. \(DIR Series\) Circular No.36 dated October 16, 2014](#)

¹ GSR 613(E) dated August 27, 2008

² GSR 609 (E) dated September 13, 2004

³ GSR 443(E) dated November 2, 2002