



RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai - 400 001

RBI/2013-14/176

A.P. (DIR Series) Circular No. 20

August 12, 2013

To,

All Category - I Authorised Dealer Banks

Madam / Sir,

Foreign Exchange Management Act, 1999 (FEMA)
Foreign Exchange (Compounding Proceedings) Rules, 2000 (the Rules) -
Compounding of Contraventions under FEMA, 1999

Attention of Authorised Dealers (ADs) and their constituents is invited to paragraph 7.2 of [A.P. \(DIR Series\) Circular No. 56 dated June 28, 2010](#) wherein they were advised to ensure that the applications for compounding are submitted only after the transactions are complete and all the requisite approvals are in place. Of late, we have been receiving a number of applications for compounding of contraventions of FEMA, 1999 which are submitted without obtaining proper approvals or permission from the concerned authorities leading to avoidable correspondence with the applicants and also return of applications. 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.

2. 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 along with the application in the prescribed format and other documents required to be submitted in terms of the instructions contained in A.P. (DIR Series) Circular Nos. 56 and 57 dated June 28, 2010 and December 13, 2011 respectively.

3. Further, the Annexes relating to Foreign Direct Investment, External Commercial Borrowings, Overseas Direct Investment and Branch Office / Liaison Office, as given in [A.P.\(Dir Series\) Circular No.57 dated December 13, 2011](#), have also been modified to include the details of income-tax PAN and the activity as

per NIC codes – 1987. It may please be noted that the application will be treated as incomplete without these details.

4. The applicants may also note to bring to the notice of the compounding authority change, if any, in the address/contact details of the applicant during the pendency of the compounding application with Reserve Bank.

5. Authorised Dealers may bring the contents of this circular to the notice of their constituents and customers concerned.

6. The directions contained in this circular have been issued under sections 10 (4) and 11 (1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,

(Rudra Narayan Kar)
Chief General Manager-in-Charge

ELECTRONIC CLEARING SERVICE (ECS)

MANDATE FORM

1. Name of the Party (Beneficiary) -

2. Particulars of the Bank Account -

A. Name of the Bank

B. Name of the Branch -

Address:

Telephone No:

C. 9 Digit MICR Code Number:
(as appearing on the cheque issued by the Bank)

D. IFSC Code

E. Type of Account : SAVINGS / CURRENT

F. Account No. :
(as appearing on the cheque book issued by the Bank)

(Please attaché photocopy of a blank cheque for verification of the bank account details)

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

**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)
- ❖ 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
----------------------	-------------------------------	---------------

- ❖ 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- 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