

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4271

ANSWERED ON:22.03.2013

FEMA VIOLATION

Ahir Shri Hansraj Gangaram;Bundela Shri Jeetendra Singh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken note of increase in the cases of violation of Foreign Exchange Management Act (FEMA), 1995 in the country in the recent past;

(b) if so, the details of complaints received by the government in this regard, State/UT and company-wise during the last three years and the current year; and

(c) the action taken/being taken by the Government against the violators in this regard?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (c) : Complaints of alleged contraventions of the provisions of Foreign Exchange Management Act, 1999 (FEMA) are received at various locations in Zones and Sub-zones. These are not maintained Centrally. However, the Directorate of Enforcement takes appropriate action in matters of suspected contravention of the provisions of FEMA, which come to its notice. Consequent to investigations made by the Directorate, in respect of information/complaints received, the Adjudicating Authorities in Directorate of Enforcement, have, during the relevant period issued 1624 Show Cause Notices to various authorities including companies for alleged contravention of the relevant provisions of FEMA, to the extent of about Rs. 35035.48 crore

Besides, in terms of the extant instructions under Foreign Exchange Management Act, 1999, the individuals/companies who violate the provisions of the Act, have the option of applying for compounding to the Reserve Bank of India. Reserve Bank of India has received 2107 compounding applications from the period between October, 2009 to March, 2013.