

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:616
ANSWERED ON:18.05.2012
FEMA VIOLATIONS
Alagiri Shri S. ;Sinh Dr. Sanjay

Will the Minister of FINANCE be pleased to state:

- (a) the details of the cases regarding violation of Foreign Exchange Management Act, 1999 reported during each of the last three years;
- (b) the details of action taken against the violators of the said Act during the said period;
- (c) whether the Government has made any assessment of the funds involved in these violations;
- (d) if so, the details thereof, year-wise;
- (e) if not, the reasons therefore alongwith the reaction of the Government thereon; and
- (f) the remedial measures taken/proposed to be taken by the Government in this regard?

Answer

FINANCE MINISTER (SHRI PRANAB MUKHERJEE)

(a) to (f): A statement is laid on the table of the House.

Statement referred to in parts (a) to (f) of the Lok Sabha Starred Question No. 616 for answer on 18.05.2012 regarding "FEMA Violations".

(a) to (e): The Directorate of Enforcement has, during the last three years, issued Show Cause Notices (SCNs) for contravention of the provisions of Foreign Exchange Management Act, 1999 (FEMA), as under:-

Year	No. of SCNs issued	Amt. involved (in Rs. in lakhs)
2009-10	463	341756.08
2010-11	440	24750.91
2011-12	239	1179140.91

During the said period, details of Adjudication proceedings completed and penalty imposed under FEMA, are as under:-

Year	No. of SCNs adjudicated	Amt. of penalty imposed (in Rs. in lakhs)
2009-10	361	15967.54
2010-11	357	49753.40
2011-12	140	26514.34

In addition to action taken by Directorate of Enforcement for violations of FEMA, 1999, RBI entertains applications from person (resident & non-resident) who seeks compounding of an admitted contravention of FEMA for procedural violation except violations under section 3(a) of the Act. Details of compounding applications received and disposed off by the RBI are given below:-

Year	Applications	Amount involved	Amount of penalty
	compounded (Rs. In Lakhs.)	imposed	
	(Rs. In Lakhs)		
2009-10	429 154115.50	229.87	
2010-11	478 177128.06	372.87	
2011-12	367 115644.69	49.79	

(f): Appropriate action is taken by the Directorate of Enforcement and RBI as and when, any matter of suspected contravention of the provisions of FEMA comes to the notice of Directorate of Enforcement.