

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4549
ANSWERED ON:21.02.2014
VIOLATION OF FCCB DRS GUIDELINES
Mahtab Shri Bhartruhari

Will the Minister of FINANCE be pleased to state:

- (a) the number of cases of violation of Foreign Currency Convertible Bonds (FCCBs) and Depository Receipts (DRs) guidelines detected during each of the last three years and the current year along with the penalty imposed in such cases, company-wise;
- (b) the remedial measures taken/being taken by the Government in this regard;
- (c) whether the Government proposes for a comprehensive review of rules governing FCCBs and DRs in order to align the rules with the New Companies Act and to cater the needs of Indian Companies and Foreign Investors; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

- (a): Details of cases of contravention of FCCB/DR guidelines and the penalties imposed on compounding the contraventions, during the last three years are annexed.
- (b): The individual cases are compounded by the Reserve Bank of India on merits of each case in accordance with the compounding rules framed in this regard.
- (c)&(d): Yes Sir. The Government has constituted a Committee to review FCCBs and ordinary shares (Through Depository Receipt Mechanism) Scheme, 1993. The Committee has submitted a report on the DRs. The term of the Committee has been extended to cover FCCBs and some other issues.