

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE, DEPARTMENT OF ECONOMIC AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 1869
TO BE ANSWERED ON DECEMBER 29, 2017 / PAUSHA 08, 1939 (SAKA)**

'ECB/FCCB'

QUESTION

1869:SHRI ASADUDDIN OWAISI:

Will the Minister of FINANCE be pleased to state:

- (a) the number of cases of violation of External Commercial Borrowing (ECB)/ Foreign Currency Convertible Bonds (FCCB) guidelines detected in the country during the last two years;
- (b) the number of cases which have been disposed of, prosecution launched and referred to Directorate of Enforcement;
- (c) the total penalty so far imposed by Reserve Bank of India on those firms which have been found violating guidelines; and
- (d) the steps taken or being taken to ensure to issue fresh guidelines in this regard?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI P. RADHAKRISHNAN)**

(a): The number of cases compounded by Reserve Bank of India (RBI) for External Commercial Borrowing (ECB)/ Foreign Currency Convertible Bonds (FCCB) guidelines violations during the period April 1, 2015 to December 22, 2017 is 54.

(b): Directorate of Enforcement has issued 04 Show Cause Notices (SCNs) for contravention of ECB guidelines issued by Foreign Exchange Management (Borrowing and Lending in Foreign Exchange) Regulations during the last 02 years. 02 SCNs have been adjudicated, imposing penalty of Rs. 70.30 lacs and the other 02 are pending adjudication.

(c): The amount imposed by RBI in respect of cases of violations of ECB/FCCB guidelines during the period April 1, 2015 to December 22, 2017 is Rs. 9,06,42,329.

(d): The guidelines relating to compounding of contraventions under Foreign Exchange Management Act 1999 have been revised on February 02, 2017 and have been consolidated in RBI Master Direction No. 4/15-16 dated Jan 01, 2016 updated as on Feb 02, 2017.
