



Press Release

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RBI issued compounding order for FEMA violations in case of Cigniti Technologies Limited and C.V. Subramanyam.

The Reserve Bank of India (RBI) has issued a compounding order u/s 15 of Foreign Exchange Management Act (FEMA), 1999, in the case of Cigniti Technologies Limited and its Managing Director C. V. Subramanyam, which has resulted into termination of proceedings against the company and its MD for compounded contraventions of provisions of FEMA, 1999. The said order has been passed by RBI after issuance of "No Objection" by the Directorate of Enforcement (ED).

In this case, based on the credible information received, investigation was taken up by ED under the provisions of FEMA. After completion of investigation, ED filed complaint u/s 16 of FEMA before the Adjudicating Authority. The company and its MD, later on, filed applications before the RBI for compounding of the contraventions under FEMA as per the provisions of Section 15 of the Act. On reference from RBI, the ED issued no objection for such compounding in line with the true spirit of the Act. Accordingly, the RBI, on the basis of no objection issued by ED, has compounded following contraventions:-

- Paragraph 8, 9(1) (B), and Paragraph 9(2) of Schedule 1 to Notification No. FEMA.20/2000-RB
- Regulation 13.1(3) of Notification No. FEMA 20R/2017-RB
- Regulation 4(1) of Notification No. FEMA 395/2019-RB

The compounding has been done with a one-time payment of Rs. 13, 82,592/- by Cigniti Technologies Limited and Rs. ₹1, 38,259/- by C. V. Subramanyam. This has resulted into termination of adjudication proceedings under the provisions of FEMA against the company and their MD with regard to aforementioned compounded contraventions as well as further litigation.