

PENALTY EXAMPLES

Illustration - Availing ECB without approval / not permitted end use / ineligible borrower

| Date of availing | Amount | Date of repayment | Interest rate | Average PLR rate of 3 leading banks@ | % gain in interest | Period of gain |
|------------------|-----------|-------------------|---------------|--------------------------------------|--------------------|----------------|
| 01.02.2009 | 320000000 | 02.01.2016 | 5.52% p.a. | 8% p.a. | +2.48% p.a. | 7 y |

| | | |
|--|-----------------|----------------------|
| Fixed amount as per Para I.4 of guidance note (Rs.) | 50000 | |
| Variable amount as per para I.4 of guidance note (Rs.) | 2400000 | (0.75% of 320000000) |
| Notional gain (Rs.) | 55552000 | |
| Total imposed (Rs.) | 58002000 | |

@ The average PLR rate as on the date of drawal of first
(and in this case only) tranche of loan

Acquisition of immoveable property in India

| | |
|--|--------------------------|
| Date of acquisition | 6/21/2006 |
| Date on which permission for unwinding given by RBI | 12/27/2014 |
| Date of unwinding the transaction | 6/9/2015 |
| Purchase price | 5264280 |
| Amount spent on maintenance, property tax, etc. while holding the property | 205750 |
| Sale price | 12568950 |
| Period of contravention | 8 y 6 m 6 d |
| Fixed amount as per Para I.4 of guidance note (Rs.) | 50000 |
| Variable amount as per para I.4 of guidance note (Rs.) | 39482 (0.75% of 5264280) |
| Gain (Refer note below) (Rs.) | 3071746 |
| Total imposed (Rs.) | 3161228 |

For calculating the gain in the instant case, the profit earned on sale of the immovable property has been reduced by the amount of expenses, property tax, etc. paid while holding the property and also the notional returns if the person had invested the same Rs.5264280 in say, FDs or Govt securities for the period for which the contravention subsisted. For example, the maturity amount on FD of Rs.5264280 for 8 1/2 years at 9.0% p.a. would be Rs.9291454 (approx) and the notional gain would be (12568950-9291454-205750)