



In the

**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
Secretariat Road  
Saifabad, Hyderabad 500 004

Present

Shri. Subrata Das  
Regional Director (Andhra Pradesh and Telangana) and  
Chief General Manager (Hyderabad)

Date: February 15, 2019  
C.A. HYD 385

In the matter of

M/s. Longping High-Tech India Seed Private Limited  
Shop No. 102, Varuna Towers, Sri Vensai Kompally Village  
Quthbullapur Mandal, Rangareddi, Telangana – 500 014

**(Applicant)**

In exercise of the powers conferred under Section 15(1) of Foreign Exchange Management Act, 1999 and the Regulations/ Rules/ Notifications/ Orders made there under, I pass the following

**Order**

The applicant has filed the compounding application dated December 17, 2018 received by us on December 24, 2018 for compounding of contraventions of the provisions of Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued there under. The contravention sought to be compounded is, delay in submission of Form FCGPR to the Regional Office of Reserve Bank after issue of shares to a person resident outside India in terms of Paragraph 9(1)(B) of Schedule 1 to Foreign Exchange Management (Transfer or Issue of Security by a person



resident outside India) Regulations, 2000 notified vide Notification No. FEMA. 20/2000-RB dated 3<sup>rd</sup> May 2000 as then applicable (herein after referred to as Notification No. FEMA 20/2000-RB).

2. The relevant facts of the case are as follows:

- a) The applicant is a resident company incorporated as Private Limited Company under the Companies Act, 1956 on August 18, 2017 (CIN : U01112TG2017FTC118952). The company is engaged in growing of mustard oil seed, growing of other oil seeds, vegetable seeds, other flowers, including production of cut flowers, flower buds and flower seeds, non-perennial crops including beet seed and padding materials and seed processing for propagation.
- b) The applicant had received remittance amounting to ₹ 4,99,94,010/- from M/s Yuan Longping High-tech Agriculture Company Limited on October 11, 2017 towards share subscription and reported the same within the prescribed time limit of 30 days, in terms of Paragraph 9(1)(A) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000.
- c) The company allotted equity shares and filed form FC-GPRs as indicated below

Sl No	Name of investor	Date of allotment of shares	Number of shares allotted	Amount for which shares allotted (INR)	Date of reporting
1	Yuan Longping High-tech Agriculture Company Limited	23.10.2017	4999401	49994010	10.05.2018
	<b>Total</b>		<b>49,99,401</b>	<b>4,99,94,010</b>	

The applicant filed form FCGPRs for the allotment of shares amounting to ₹ 4,99,94,010/- as indicated above which was reported with a delay of 5 months and



18 days approximately beyond the prescribed limit. Whereas in terms of Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB, an Indian company issuing shares in accordance with these Regulations has to submit to Reserve Bank a report in form FCGPR along with documents prescribed therein within 30 days from the date of issue of shares to person resident outside India.

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/ 1635 /14.66.003/2018-19 dated February 7, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant vide e-mail dated February 8, 2019 stated that they are foregoing appearing for the personal hearing and requested that the compounding application may be disposed off on the basis of merits in terms of the facts/submission made therein along with the compounding application. The application for compounding is, therefore, being considered on the basis of the averments made in the application

4. I have given my careful consideration to the documents on record. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:-

(a) Paragraph 9(1)(B) of Schedule 1 to Notification No. 20/2000-RB for delay in submission of Form FC-GPR to Reserve Bank of India after issue of shares to persons resident outside India and the contravention relates to an amount of **₹ 4,99,94,010/-** with a delay of 5 months 18 days approximately.

5. It has been declared in the compounding application dated December 17, 2018 that the particulars given by the applicant in the application are true and correct to the best of their knowledge and belief. It has been declared in the declaration dated December 17, 2018 furnished with the compounding application that the applicant was not under any enquiry/investigation/adjudication by any agency as on the date of the application and has, in this regard, not informed of initiation of any such enquiry/investigation/adjudication proceedings against it thereafter. Accordingly, the



above contraventions which are being compounded in this Order are subject to the veracity of the above declarations made by the applicant and this order is without prejudice to any other action which may be taken by any authority under the extant laws if the said declarations are subsequently discovered to be false and/or incorrect.

6. In terms of Section 13 of the FEMA, any person contravening any provision of the Act shall be liable to a penalty up to thrice the sum involved in such contravention upon adjudication. However, taking into account the relevant facts and circumstances of the case as stated in the foregoing paragraphs, I am persuaded to take a lenient view on the amount for which the contravention is to be compounded and I consider that an amount of ₹ **35,000/- (Rupees Thirty Five Thousand Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA-20/2000-RB by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount ₹ **35,000/- (Rupees Thirty Five Thousand Only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 1st Floor, Saifabad, Hyderabad - 500004 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Hyderabad within a period of 15 days from the date of this order. In case of failure to deposit the compounded amount within the above mentioned period, Rule 10 of the Foreign Exchange (Compounding Proceedings) Rules, 2000 dated May 3, 2000 shall apply.

The application is disposed accordingly.

Dated this 15<sup>th</sup> day of February 2019

Sd/-

(Subrata Das)



Compounding of contraventions under FEMA 1999  
M/s Longping High-Tech India Seed Private Limited  
CA No. HYD 385

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Regional Director (Andhra Pradesh and Telangana) and  
Chief General Manager (Hyderabad)