



In the

**Reserve Bank of India**

Foreign Exchange Department

Pandit Jawaharlal Nehru Marg

Bhubaneswar-751 001

Present

**Shri M.K. Mall**

**Regional Director (Odisha) and Chief General Manager (Bhubaneswar)**

**Compounding Authority**

Date: February 19, 2019

C.A. No. BHU20/2019

In the matter of

**M/s. Milk Mantra Dairy Pvt. Ltd.**

7th Floor, Z Tower, Patia,

Bhubaneswar-751024

**(Applicant)**

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

**Order**

The applicant has filed a compounding application dated November 16, 2018 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contravention sought to be compounded is delay in reporting receipt of foreign inward remittances towards subscription to equity in terms of para 9(1)(A) of Schedule I 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 May 3, 2000 and as amended from time to time (hereinafter referred to as Notification No.FEMA 20/2000-RB) read with A.P. (DIR Series) Circular No.20 dated December 14, 2007.



M/s. Milk Mantra Dairy Pvt. Ltd.  
CA No. BHU20/2019

2. The relevant facts of the case are as follows: The applicant was incorporated on August 04, 2009 and deals in carrying on the business of dairy and dairy related products. The applicant received the following inward remittance from foreign investor, FIL Capital Investments (Mauritius) II Limited under automatic route and reported the same to Reserve Bank of India with delay.

<b>Sr. No.</b>	<b>Amount of Foreign Inward Remittance (₹)</b>	<b>Receipt Date</b>	<b>Reporting Date to RBI</b>
1	16,89,04,318.32	30.12.2014	20.02.2015

The applicant reported receipt of remittance to the Reserve Bank on date indicated above and with delay of twenty-one days beyond the stipulated time of 30 days. Whereas, in terms of para 9 (1) A of Schedule I to Notification No. FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures in accordance with these Regulations should report receipt of foreign inward remittances to the Reserve Bank of India as per the prescribed procedure not later than 30 days from the date of receipt of the amount of consideration.

3. The applicant was given an opportunity for personal hearing vide the Reserve Bank's letter FED(Bhu) No.238/08.02.266/2018-19 dated January 09, 2019 for further submission in person and/or producing documents, if any, in support of the application. Authorized representatives of the company attended the personal hearing on January 24, 2019. They didn't produce any further document during the personal hearing. The applicant, in the compounding application, had admitted the contraventions as stated in para 2 above for which compounding has been sought. The application for compounding is, therefore, being considered on the basis of the averments made in the application as well as other documents and submissions made in this context by the applicant.

4. I have given my careful consideration to the documents on record and submission made by the applicant in the compounding application. Accordingly, I hold that the applicant has contravened the FEMA provisions issued in terms of para 9 (1) A of Schedule 1 to Notification No. FEMA 20/2000-RB due to delay in reporting of receipt of



M/s. Milk Mantra Dairy Pvt. Ltd.  
CA No. BHU20/2019

inward remittance towards subscription of equity shares as detailed in para 2 above. The contravention relates to an amount of total ₹16,89,04,318.32 and the duration of delay is twenty-one days.

5. It has been declared in the compounding application dated November 16, 2018 that the particulars given by the applicant in the application are true and correct to the best of their/his/her knowledge and belief. It has been declared in the declaration 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/him/her thereafter. It has further been declared that the applicant has not filed any appeal under Section 17 or Section 19 of FEMA, 1999. 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, 1999 if any person contravening any provision of the Act, or contravenes any rule, regulation, notification, direction or order issued in exercise of the powers under this Act, or contravenes any condition subject to which an authorization is issued by the Reserve Bank, he, upon adjudication, shall be liable to a penalty up to thrice the sum involved in such contravention. However, taking into account the relevant facts and circumstances of the case as stated in the foregoing paras, I am of the view that an amount of ₹ 27,000/- (Rupees Twenty-Seven thousand only) will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions namely, the contraventions of para 9(1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000 read with AP (DIR Series) Circular No.20 dated December 14, 2007 by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of ₹ 27,000/- (Rupees Twenty-Seven thousand only) which shall be deposited by the applicant with the Reserve Bank



M/s. Milk Mantra Dairy Pvt. Ltd.  
CA No. BHU20/2019

of India, Foreign Exchange Department, Bhubaneswar by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Bhubaneswar 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 of accordingly.

Dated this 19<sup>th</sup> day of February, 2019.

Sd/-

(M.K. Mall)

Regional Director (Odisha) and Chief General Manager (Bhubaneswar)