



In the

Reserve Bank of India
Foreign Exchange Department
3rd Floor
15, Netaji Subhas Road
Kolkata – 700 001

Present

H. Thangzaman
Chief General Manager

Date: May 30, 2019

C.A.102/2019

In the matter of

M/s PMC YM-Pharma Private Limited

103, G.T.Road(West),Rishra

Hooghly 712248

West Bengal

(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 had filed a compounding application dated March 20, 2019 (received at Reserve Bank on March 22, 2019) for compounding of contraventions of the provisions of the Foreign Exchange Management Act,1999 (the FEMA) and the regulations issued thereunder. The contraventions sought to be compounded is for delay in submission to the Reserve Bank of Form FC-GPR after issue of shares to a person resident outside India beyond the stipulated 30 days in terms of Paragraph 9(1)(B) of schedule 1 of 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 03, 2000 and as amended from time to time (hereinafter referred to as Notification No. FEMA 20/2000-RB).

2. The relevant facts of the case are as follows. The applicant, M/s PMC YM-Pharma Private Limited, was incorporated under Companies Act, 1956, on November 10, 2016 and is in the business of Manufacture of medicinal substances used in the manufacture of Pharmaceuticals {NIC-2008: 21001}. The company had received the foreign inward remittances towards subscription to equity shares from its foreign investor.

3. The applicant reported the allotment of shares (in form FC-GPR) to the Bank with a delay beyond the stipulated period of 30 days as detailed in Table 1 and subjected to compounding as per para 9(1) (B) of schedule 1 to Notification No. FEMA 20/2000-RB dated May 03, 2000.

Table 1: Allotment of shares and reporting of FCGPR

S. No.	Amount for which shares have been issued (INR)	Date of allotment of shares	Date of reporting of allotment of shares to RBI	Delay beyond 30 days, if any (days)
1	2,00,00,000.00	10-Nov-16	23-Oct-17	317
2	3,00,00,000.00	1-Jul-17	6-Jul-18	340
3	39,80,39,037.00	4-Nov-17	19-Jul-18	227
	44,80,39,037.00			

4. The applicant was given an opportunity for personal hearing, vide Reserve Bank's letter No.KOL.FED.FID.1730/06.01.002/2018-19 dated May 15, 2019, for further submission in person and/or producing documents, if any, in support of the application. The applicant, represented by Mr. Abhishek Sureka (Authorized Representative), appeared for personal hearing on May 29, 2019. The representative of the applicant admitted the contraventions as stated in para 3 of this Order.



5. It has been declared in the compounding application dated March 20, 2019 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. I have given careful consideration to the documents on record and submission made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened provisions of 9(1)(B) of Schedule 1 of Notification No. FEMA 20/2000-RB. The contravention relates to an amount of INR 44,80,39,037.

7. In terms of section 13 of the FEMA any person contravening any provision of the act shall be liable for a penalty up to thrice the sum of the contravention upon adjudication. However, considering the circumstances which led to the delay and other relevant facts of the case I am inclined to take a lenient view of the amount for which the contravention is to be compounded and I consider that an amount of Rs.1,72,500 (Rupees One Lakh Seventy Two Thousand Five Hundred only) will meet the end of justice.

8. Accordingly, I compound the admitted contravention viz. 9(1)(B) of Schedule 1 of Notification No. FEMA 20/2000-RB dated May 03, 2000 by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceeding) Rules, 2000 on payment of an amount Rs.1,72,500 (Rupees One Lakh Seventy Two Thousand Five Hundred only) which are to be deposited by the applicant with the Reserve Bank of India, Kolkata by a demand draft in favor of Reserve Bank of India and payable at Kolkata within 15 days from the date of



issue of the order. In case of failure to deposit the compounded amount within the above-mentioned period, Rule 10 of the Foreign Exchange (Compounding Proceeding) Rules, 2000 dated May 03, 2000 shall apply.

09. The application is disposed-off accordingly.

Dated this Thirtieth day of May Two Thousand and Nineteen.

Sd/-

(H. Thangzaman)

Chief General Manager