



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: March 08, 2019

C.A. No. BHU23/2019

In the matter of

M/s. Orissa Stevedores (Overseas) Private Limited

OSL Tower, Link Road

Cuttack, Odisha-753012

(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 January 05, 2019 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 submission of Form FC-GPR to the Reserve Bank after issue of shares in terms of paragraph 9(1)(B) 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).



2. The relevant facts of the case are as follows: The applicant was incorporated on September 21, 1993 and deals in carrying out the business as merchants, traders, commission agents or in any other capacity in India or elsewhere and to import, export, buy, sell, barter, exchange, pledge or otherwise deal in handicrafts and merchandise. The applicant received inward remittances from foreign investors under automatic route and allotted shares and filed Form FC-GPR with Reserve Bank/AD Bank as indicated below.

Sr. No.	Amount of receipt of inward remittance (₹)	Value of Shares Issued (₹)	Date of issue of shares	Date of Reporting to RBI/AD bank under para 9(1) B of erstwhile FEMA 20	Delay in reporting beyond stipulated period of 30 days under para 9(1) B of erstwhile FEMA 20
1.	10,00,03,041.00	23,25,55,000.00	27.12.2014	06.07.2015	160 days
2.	13,25,52,637.00				
3.	49,79,834.00	49,79,700.00	06.03.2017	10.12.2018	613 days
Total	23,75,35,512.00	23,75,34,700.00			

The applicant filed the Form FC-GPR, on allotment of shares, with the Bhubaneswar Regional Office of the Reserve Bank of India / Authorized Dealer Bank, with delays ranging from 5 months and 8 days to 1 year 8 months and 3 days, beyond the prescribed period of 30 days, as indicated above. Whereas, in terms of Paragraph 9(1)(B) of Schedule I to Notification No.FEMA 20/2000-RB dated May 3, 2000, an Indian company issuing shares in accordance with these Regulations, has to submit to Reserve Bank of India, a report in Form FC-GPR, along with documents prescribed therein, within 30 days from the date of issue of shares to persons resident outside India.



3. The applicant was given an opportunity for personal hearing vide the Reserve Bank's letter FED(Bhu)No.353/08.02.250/2018-19 dated February 06, 2019 for further submission in person and/or producing documents, if any, in support of the application. However, the applicant, vide its letter dated February 11, 2019 has opted out from appearing in personal hearing stating that they have already submitted required papers/ documents with the compounding application and they don't have any further document to submit. 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 Paragraph 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to persons resident outside India and the contravention relates to total amount of ₹ 23,75,34,700.00 (Rupees Twenty-Three crore Seventy-Five lakh Thirty-Four thousand Seven hundred only) with delays ranging from 5 months and 8 days to 1 year 8 months and 3 days, approximately.

5. It has been declared in the compounding application dated January 05, 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 dated January 05, 2019 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 contravention which is being



compounded in this Order is 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 **₹72,250/- (Rupees Seventy-Two thousand Two hundred Fifty only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, the contravention of Paragraph 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000 by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of **₹72,250/- (Rupees Seventy-Two thousand Two hundred Fifty only)** which shall be deposited by the applicant with the Reserve Bank 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 08th day of March, 2019.

Sd/-

(M.K. Mall)

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