



In the  
**Reserve Bank of India**  
Foreign Exchange Department  
3<sup>rd</sup> Floor  
15, Netaji Subhas Road  
Kolkata – 700 001

Present

**H. Thangzaman**  
**Chief General Manager**

Date: December 06, 2019  
C.A.118/2019

In the matter of

**M/s PMC RUBBER CHEMICALS INDIA PRIVATE LIMITED**  
103, G.T. ROAD (WEST), P.S. RISHRA, DIST- HOOGLY  
HOOGLY 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 July 24, 2019 (received at Reserve Bank on August 01, 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 both Form ARF after receipt of inflow from a person resident outside India and Form FC-GPR after issue of shares to a person resident outside India beyond the stipulated 30 days in terms of Paragraph 9(1)(A) and 9(1)(B) respectively and also for delay in allotment of shares beyond 180 days to 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 May 03, 2000 and as amended from time to time (hereinafter referred to as Notification No. FEMA 20/2000-RB).

2. The company had contravened Para 9(1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 03, 2000 in respect of following foreign inward remittance as given in Table A below towards subscription to equity shares from its foreign investor PMC Group France SARL,France :

S. No.	Name of Investor	Inflow (INR)	Inflow in Foreign Currency	Date of inflow	Date of reporting of inflow to RBI	Delay beyond 30 days (Days) up to 31.08.18
1	PMC Group France SARL,France	21,07,82,000.00	€ 25,99,996	19-Aug-13	16-Mar-19	1808
	<b>Total</b>	<b>21,07,82,000.00</b>	-			

3. As given in Table B, the company had received the inflow on April 22, 2008 but allotted shares on November 06, 2008 which is 18 days delay in allotment beyond 180 days. This is a contravention to the provisions of Para 8 of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000.

S. No.	Inflow (INR)	Date of Inflow	Date of allotment of shares	Amount for which shares issued (INR)	Delay in allotment beyond 180 days
1	2,40,39,385.00	22-Apr-08	06-Nov-08	2,40,39,376.00	18
	2,40,39,385.00				



4. The company had contravened Para 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 03, 2000 in respect of following foreign inward remittances as given in Table C:

<b>Inflow (INR)</b>	<b>Amount for which shares have been issued</b>	<b>Date of inflow</b>	<b>Date of allotment of shares</b>	<b>Date of reporting of allotment of shares to RBI</b>	<b>Delay beyond 30 days, if any (days)</b>
4,17,99,171.00	4,17,99,171.00	23-Dec-05	03-Jan-06	22-May-19	4857
2,40,39,385.00	2,40,39,376.00	22-Apr-08	06-Nov-08	22-May-19	3819
21,07,82,000.00	21,07,76,300.00	19-Aug-13	21-Aug-13	18-Jul-19	2127
<b>27,66,20,556.00</b>	<b>27,66,14,847.00</b>				

5. The applicant was given an opportunity for personal hearing, vide Reserve Bank's letter No.KOL.FED.FID.858/06.01.002/2019-20 dated November 28, 2019 for further submission in person and/or producing documents, if any, in support of the application. On the date of personal hearing, i.e., December 06, 2019, the applicant represented by Mr. Abhishek Sureka (Authorized Representative) admitted the contraventions as stated in para 2, 3 & 4 of this Order.

6. It has been declared in the compounding application dated July 24, 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.



7. 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 paragraph 9(1)(A), 9(1)(B) and Para 8 of Schedule 1 of Notification No. FEMA 20/2000RB dated May 03, 2000. The total contravention relates to an amount of INR 51,14,36,223.

8. 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. Considering the circumstances which led to the delay and other relevant facts of the case, I am, however, 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. 24,55,980 (Rupees Twenty Four lakh Fifty Five Thousand Nine Hundred and Eighty only)** will meet the end of justice.

9. Accordingly, I compound the admitted contravention viz. 9(1)(A), 9(1)(B) and Para 8 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 of **Rs. 24,55,980 (Rupees Twenty Four lakh Fifty Five Thousand Nine Hundred and Eighty 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.

10. The application is disposed of accordingly.

Dated this Sixth day of December, Two Thousand and Nineteen.

Sd/-

(H. Thangzaman)

Chief General Manager