



In the
RESERVE BANK OF INDIA
Foreign Exchange Department
6, Sansad Marg
New Delhi-110001

Present
Anupam Sonal
Chief General Manager
Date: March 18, 2019
CA No. NDL 329/2018

In the matter of
Hill & Smith Infrastructure Products India Private Limited
574, 3rd Floor, Main Road, Chirag Delhi, New Delhi-110017
(Applicant)

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

ORDER

The applicant has filed the compounding application dated October 22, 2018 (received at Reserve Bank of India, New Delhi on November 6, 2018) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (hereinafter referred to as FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are those of delay in filing Form FC-GPR after issue of shares, 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 May 3, 2000 (hereinafter referred to as FEMA 20/2000-RB), as amended from time to time.

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

(a) The applicant company was incorporated on August 18, 2010 and is engaged in the business of manufacture, buying, selling, importing, exporting, distributing and



dealing in infrastructure products for roads, rails, utilities and security, etc.

(b) Contraventions of Paragraph 9(1)(A) of Schedule 1 to FEMA 20/2000-RB by the company had earlier been compounded vide Compounding Order No. CA NDL 245/2017 dated August 25, 2017 passed by the Reserve Bank of India, New Delhi.

(c) The applicant had reported the allotment of shares/ debentures to its foreign investors viz. M/s Hill & Smith Overseas Limited, U.K. and M/s Hill & Smith Holdings Plc, U.K. on five occasions with delay ranging from 3 to 18 days beyond the prescribed period of 30 days as detailed below, in contravention of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, as then applicable.

Sl. No.	Date of allotment	Amount (₹)	Date of Reporting
1	24.08.2011	9629550	30.09.2011
2	14.09.2012	18692350	01.11.2012
3	31.08.2013	9000000	18.10.2013
4	31.05.2017	16602000	03.07.2017
5	30.06.2017	164953200	02.08.2017
		21,88,77,100	

Whereas, in terms of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures or warrants in accordance with these Regulations shall submit through AD bank to the Regional Office concerned of the Reserve Bank under whose jurisdiction the Registered Office of the company operates, not later than 30 days from the date of issue of shares or convertible debentures or warrants, a report in the form FC-GPR as specified by the Reserve Bank from time to time together with documents prescribed therein.

(d) Thus, there are contraventions of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, as then applicable.

3. The applicant was given an opportunity for personal hearing for further submission in person and/ or by producing documents, if any, in support of the application. Ms Anjali Malhotra, Company Secretary, appeared for personal hearing on March 14, 2019 on behalf of the applicant. The representative of the applicant admitted the contraventions committed by the applicant for which compounding has been sought. During the personal hearing, she submitted that the contraventions were without any *malafide* or wilful intention but were mainly due to administrative matters and difficulties faced in uploading Form FC-GPR on the eBiz portal. She requested for a lenient view in the matter. The application for compounding is, therefore, being considered on the basis of averments made in the application as well as other



documents and submissions made during the personal hearing.

4. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened the provisions of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, due to delay in filing Form FC-GPR after issue of shares as detailed in paragraph 2(c) above. The contraventions relate to an amount of ₹21,88,77,100/- (Rupees Twenty One Crore Eighty Eight Lakh Seventy Seven Thousand and One Hundred only) and the period of delay ranges from 3 to 18 days.

5. It has been declared in the compounding application dated October 22, 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 also been declared in the declaration dated December 13, 2018 furnished as part of 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. It has further been declared that the applicant has not filed any appeal under Section 17 or Section 19 of FEMA. 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 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 contraventions are to be compounded and I consider that an amount of **₹27,120/- (Rupees Twenty Seven Thousand One Hundred and Twenty only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, as then applicable, by the applicant based on the facts detailed above in terms of the Foreign Exchange (Compounding Proceedings)



Rules, 2000, on payment of an amount of **₹27,120/- (Rupees Twenty Seven Thousand One Hundred and Twenty only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 6, Sansad Marg, New Delhi - 110001 by a demand draft drawn in favour of the “Reserve Bank of India” and payable at New Delhi 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 the 18th day of March 2019.

Sd/-
(Anupam Sonal)
Chief General Manager