



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
Secretariat Road
Saifabad, Hyderabad 500 004

Present

Smt N Sara Rajendra Kumar
General Manager

Date: February 21, 2019
C.A. HYD 376

In the matter of

M/s. Rampex Labs Private Limited
Plot No.151, S.V. Co-operative Industrial Estate
Village Road, IDA, Bollaram
Sanga Reddy District
Telangana – 502 325

(Applicant)

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

Order

The applicant has submitted the compounding application dated December 11, 2018 received by us on the same day for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued there under. The contraventions sought to be compounded are (i) delay in reporting of receipt of foreign inward remittances towards subscription of equity, (ii) delay in submission of Form FCGPR to the Reserve Bank after issue of shares to a person resident outside India, in terms of Paragraph 9(1)(A) and Paragraph 9(1)(B) of Schedule 1 to Foreign Exchange Management (Transfer or Issue of Security by a



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person resident outside India) Regulations, 2000 notified vide Notification No. FEMA. 20/2000-RB dated 3rd May 2000 as then applicable (herein after referred to as Notification no. FEMA 20/2000-RB).

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

- a) The applicant is a resident company incorporated as Private Limited Company under the Companies Act, 1956 on May 18, 2004 (CIN: U24239TG2004PTC043271). The company is engaged in the business of "Manufacture of medicinal substances used in the manufacture of pharmaceuticals".
- b) The applicant had received foreign inward remittances from the following foreign investors as indicated below:

SI No	Name of Remitter	Total Amount (INR)	Date of Receipt	Date of Reporting
1	Ranga NB Gorrepati	4,90,00,000	07-01-2006	06-02-2006
2	Ranga NB Gorrepati	38,45,288	13-09-2006	10-10-2006
3	Ranga NB Gorrepati	82,28,712	20-11-2006	06-12-2006
4	Ranga NB Gorrepati	30,73,000	24-01-2007	07-02-2007
5	Ranga NB Gorrepati	25,00,000	15-03-2007	09-04-2007
6	Ranga NB Gorrepati	21,50,000	30-03-2007	09-04-2007
7	Ranga NB Gorrepati	32,00,000	01-10-2007	03-10-2007
8	Ranga NB Gorrepati	74,00,000	10-09-2007	03-10-2007
9	Ranga NB Gorrepati	36,00,000	13-10-2007	12-11-2007
10	Ranga NB Gorrepati	43,00,000	15-11-2007	19-11-2007
11	Ranga NB Gorrepati	71,00,000	26-12-2007	31-12-2007
12	Ranga NB Gorrepati	5,00,000	27-12-2007	31-12-2007
13	Ranga NB Gorrepati	2,28,837.35	02-09-2011	14-01-2012



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14	Pallavi Gorrepati	75,81,236.25	18-01-2012	02-02-2012
15	Madhavi G Delsignore MD	75,44,492.38	24-01-2012	02-02-2012
16	Prema Govindarajulu, Pattabhiraman Govindarajulu	10,03,260	10-06-2014	28-06-2014
17	Lakshmi Vaitla	10,00,000	24-06-2014	28-06-2014
18	Lakshmi Vaitla	9,99,996	24-06-2014	28-06-2014
19	Pallavi Gorrepati	90,08,399	02-05-2014	30-05-2014
20	Raju S Dandu & Lakshmi Dandu	1,79,55,000	08-05-2014	30-05-2014
21	Madhavi G Delsignore MD	90,09,000	02-05-2014	30-05-2014
22	Uday Gorrepati or Shivani Kanneganti	30,02,399	02-05-2014	30-05-2014
23	Surendra B Gorrepati & Uma D Gorrepati	30,02,640	02-05-2014	30-05-2014
24	Indira Gorrepati	29,13,484	19-05-2014	30-05-2014
25	Indira Gorrepati	60,04,438	02-05-2014	30-05-2014
26	Ranga NB Gorrepati	33,34,000	13-10-2016	11-11-2016
27	Madhavi G Delsignore MD	82,19,315	28-11-2016	27-12-2016
28	Raju S Dandu	1,36,05,320	09-01-2017	01-02-2017
29	Ranga NB Gorrepati	66,60,001	17-10-2016	12-11-2016
30	Ranga NB Gorrepati	40,92,787	23-11-2016	14-12-2016
31	Ranga NB Gorrepati	99,83,338	01-11-2016	29-11-2016
32	Prema Govindarajulu	23,28,934	20-10-2016	18-11-2016



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33	Pallavi Gorrepati	81,58,980	22-11-2016	20-12-2016
34	Lakshmi Vaitla or Hanumanthu Rao Vaitla	54,17,664	25-10-2016	23-11-2016
35	Lakshmi Vaitla or Hanumanthu Rao Vaitla	5,96,936	08-11-2016	29-11-2016
36	Rama Vaitla	4,75,320	22-11-2016	14-12-2016
37	Ranga NB Gorrepati	58,08,149	02-08-2017	31-08-2017
38	Ranga NB Gorrepati	74,00,000	31-08-2017	28-09-2017
39	Ranga NB Gorrepati	37,00,000	05-10-2017	21-10-2017
40	Ranga NB Gorrepati	37,00,000	29-09-2017	21-10-2017
41	Ranga NB Gorrepati	37,00,000	29-09-2017	21-10-2017
42	Ranga NB Gorrepati	3,00,000	22-11-2017	14-12-2017
43	Ranga NB Gorrepati	34,00,000	16-11-2017	14-12-2017
44	Ranga NB Gorrepati	50,00,000	09-01-2018	02-02-2018
45	Ranga NB Gorrepati	1,72,00,000	07-02-2018	19-02-2018
46	Pallavi Gorrepati	71,04,062	27-03-2018	21-04-2018
47	Pallavi Gorrepati	1,37,62,624	28-06-2018	18-07-2018
48	Madhavi Gorrepati Delsignore MD	71,49,025	27-03-2018	21-04-2018
49	Ranga NB Gorrepati	3,99,97,000	21-05-2018	15-06-2018
50	Madhavi Gorrepati Delsignore MD	1,37,58,968	28-06-2018	18-07-2018
	Total	35,90,02,604.98		

The applicant reported receipt of remittances towards share subscription amounting to ₹ 35,90,02,604.98 to the Regional Office of Reserve Bank of India, out of which remittance amounting to ₹ 2,28,837.35 were reported with a delay of 3 months 10 days approximately beyond the prescribed limit. Whereas in terms of Paragraph



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9(1)(A) of Schedule 1 to Notification No. FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures in accordance with these Regulations should report 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.

c) The company allotted equity shares and filed form FC-GPRs as indicated below:

SI No	Name of investor	Date of allotment of shares	Number of shares	Amount for which shares allotted (INR)	Date of reporting to AD or RBI
1	Ranga NB Gorrepati	29-03-2006	49,00,000	4,90,00,000	27-04-2006
2	Ranga NB Gorrepati	15-05-2007	19,79,700	1,97,97,000	06-06-2007
3	Ranga NB Gorrepati	11-03-2008	26,10,000	2,61,00,000	27-03-2008
4	Ranga NB Gorrepati	28-01-2012	15,280	2,29,200	24-02-2012
5	Pallavi B Gorrepati	28-01-2012	5,05,415	75,81,225	24-02-2012
6	Madhavi Gorrepati Delsignore	28-01-2012	5,02,965	75,44,475	24-02-2012
7	Pallavi Gorrepati	30-06-2014	2,90,593	90,08,383	28-07-2014
8	Madhavi Gorrepati	30-06-2014	2,90,612	90,08,972	28-07-2014
9	Mrs Lakshmi Vaitla	30-06-2014	64,516	19,99,996	28-07-2014
10	Mrs Uma D Gorrepati	30-06-2014	96,859	30,02,629	28-07-2014
11	Mrs Indira Gorrepati	30-06-2014	2,87,674	89,17,894	28-07-2014
12	Mrs Lakshmi Dandu	30-06-2014	5,79,193	1,79,54,983	28-07-2014
13	Mr Uday Gorrepati	30-06-2014	96,851	30,02,381	28-07-2014
14	Mrs Prema Govinda Rajulu	30-06-2014	32,352	10,02,912	28-07-2014



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15	Ranga NB Gorrepati	10-12-2016	6,50,543	2,40,70,091	07-01-2017
16	Prema Govindarajulu	10-12-2016	62,944	23,28,928	07-01-2017
17	Madhavi Delsingore	10-12-2016	2,22,143	82,19,291	07-01-2017
18	Pallavi Gorrepati	10-12-2016	2,20,512	81,58,944	07-01-2017
19	Hanumanthu Rao Vaitla	10-12-2016	1,46,423	54,17,651	07-01-2017
20	Lakshmi Vaitla	10-12-2016	16,133	5,96,921	07-01-2017
21	Rama Vaitla	10-12-2016	12,846	4,75,302	07-01-2017
22	Raju S Dandu	08-03-2017	3,67,711	1,36,05,307	06-04-2017
23	Ranga NB Gorrepati	31-08-2017	1,56,977	58,08,149	09-10-2017
24	Ranga NB Gorrepati	28-10-2017	2,00,000	74,00,000	17-11-2017
25	Ranga NB Gorrepati	23-11-2017	4,00,000	1,48,00,000	14-12-2017
26	Ranga NB Gorrepati	08-02-2018	6,00,000	2,22,00,000	07-03-2018
27	Madhavi Gorrepati Delsingore	15-05-2018	1,93,216	71,48,992	01-06-2018
28	Pallavi Gorrepati	15-05-2018	1,92,001	71,04,037	01-06-2018
29	Ranga NB Gorrepati	22-05-2018	10,81,000	3,99,97,000	21-06-2018
30	Madhavi Gorrepati Delsingore	29-06-2018	3,71,864	1,37,58,968	28-07-2018
31	Pallavi Gorrepati	29-06-2018	3,71,962	1,37,62,594	28-07-2018
	Total		1,75,18,285	35,90,02,225	

The applicant filed form FCGPRs for the allotment of shares amounting to ₹ 35,90,02,225/- as indicated above, out of which remittance of ₹ 58,08,149/- was



reported with a delay of 9 days approximately beyond the prescribed limit. Whereas in terms of Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB, an Indian company issuing shares in accordance with these Regulations has to submit to Reserve Bank a report in form FCGPR along with documents prescribed therein within 30 days from the date of issue of shares to person resident outside India.

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/1678/14.66.003/2018-19 dated February 14, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant appeared for personal hearing on February 19, 2019 during which Shri. J.V.V. Prasada Rao, Director, represented the applicant. The authorized representative of the applicant admitted the contraventions for which the compounding has been sought. During the personal hearing it was submitted that the delay was not wilful or with a malafide intention but was on account of administrative reasons. In view of the foregoing, the representative of the applicant requested to take a lenient view in disposal of the application. The application for compounding is, therefore, being considered on the basis of the averments made in the application.

4. I have given my careful consideration to the documents on record. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:-

(a) Paragraph 9(1)(A) of Schedule 1 to Notification No. FEMA 20/2000-RB for delay in reporting the receipt of consideration towards issue of shares amounting to **₹ 2,28,837.35** with a delay of 3 months 10 days approximately.

(b) Paragraph 9(1)(B) of Schedule 1 to Notification No. 20/2000-RB for delay in submission of Form FC-GPR to Reserve Bank of India after issue of shares to persons resident outside India and the contravention relates to an amount of **₹ 58,08,149/-** with a delay of 9 days approximately.



5. It has been declared in the compounding application dated December 11, 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 been declared in the declaration dated February 19, 2019 that the applicant was not under any enquiry/investigation/adjudication by any agency and has, in this regard, not informed of initiation of any such enquiry/investigation/adjudication proceedings against it thereafter. 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, 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 contravention is to be compounded and I consider that an amount of **₹ 20,890/- (Rupees Twenty Thousand Eight Hundred and Ninety Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9(1)(A) and Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA-20/2000-RB by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount **₹ 20,890/- (Rupees Twenty Thousand Eight Hundred and Ninety Only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 1st Floor, Saifabad, Hyderabad - 500004 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Hyderabad 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



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the Foreign Exchange (Compounding Proceedings) Rules, 2000 dated May 3, 2000 shall apply.

The application is disposed accordingly.

Dated this 21st day of February 2019

Sd/-

(N Sara Rajendra Kumar)

General Manager