



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
5th Floor, Amar Building
Sir P M Road
Mumbai - 400 001

Present

R. K. Moolchandani
Chief General Manager

Date: December 13, 2019
CA No 4973/ 2019

In the matter of

Torrent Pharmaceuticals Limited
Torrent House, Near Dinesh hall,
Ashram Road, Ahmedabad – 380009.

(Applicant)

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

Order

The applicant has filed the application dated July 06, 2019 (received in the Reserve Bank of India on July 15, 2019) for compounding of contravention of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder, for delay in submission of Annual Performance Report (APR) for the years from 2008 to 2015, in contravention of Regulation 15(iii) of Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 notified vide Notification No. FEMA 120/2004-RB dated July 7, 2004 as amended from time to time (hereinafter referred to as Notification No. FEMA 120/2004-RB).



2. The relevant facts are as under:

The applicant company was incorporated on July 15, 1972 (CIN L24230GJ1972PLC002126) and is engaged in business manufacturing, buying, selling distributing, export and import of medicines and drugs. The company had made an overseas direct investment (ODI) in a joint venture (JV) "GPC Cayman Investors I Ltd.", during 2007-2012. Subsequently, in July 2015, the applicant company had disinvested from the JV and funds were repatriated. However, the APRs for the years from 2008 to 2015 were filed with a delay. The APRs were taken on record, subject to compounding of the abovementioned contravention.

3. The applicant was given an opportunity for personal hearing vide letter No. FE.CO.CEFA/2616/15.20.67/2019-20 dated November 21, 2019 for further submission in person and/or producing documents, if any, in support of the application. The applicant chose to forego the option of personal hearing with the Compounding Authority vide their letter dated December 10, 2019.

4. It has been declared in the compounding application dated July 06, 2019, 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 furnished along 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 been 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.

5. I have given my careful consideration to the documents on record and submissions made by the applicant. It was observed that the applicant has contravened the provisions of Regulation 15(iii) of Notification No.FEMA.120/2004-RB. The amount involved in the ODI in respect of the APR



related contravention is Rs 37,49,00,000/- and the APRs have been delayed for eight years - from 2008 to 2015.

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. After considering the submissions made by the applicant and the entire facts and circumstances of the case, it stands to reason that payment of an amount of Rs. 80,000/- (Rupees eighty thousand only) will meet the ends of justice.

7. Accordingly, I compound, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 the admitted contravention committed by the applicant namely, Regulation 15(iii) of Notification No.FEMA.120/2004-RB, on payment of a sum of Rs. 80,000/- (Rupees eighty thousand only) which shall be deposited by the applicant with the "The Chief General Manager – In – Charge, Reserve Bank of India, Foreign Exchange Department, 5th Floor, Amar Building, Fort, Mumbai – 400001" by a demand draft drawn in favour of the "Reserve Bank of India" and payable at 'Mumbai' 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 13th day of December, 2019

Sd/-
(R. K. Moolchandani)
Chief General Manager