



In the

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

Present

**R. K. Moolchandani**  
**Chief General Manager**

Date: December 13, 2019  
CA No 4997/ 2019

In the matter of

**Jackbro Global Private Limited**  
**Block No 132, Besides Ambica Trailer,**  
**Nr Kamrej Char Rasta,**  
**Navagam, Tal- Kamrej, Surat 394185**

**(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 August 02, 2019 (received in the Reserve Bank of India on August 08, 2019) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions are: (i) delay in submission of Annual Performance Report (APR) for the year 2017 and (ii) delay in reporting of set-up of step down subsidiary (SDS), in contravention of Regulation 15(iii) and Regulation 13, respectively, 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 October 03, 2012 (CIN U26914GJ2012PTC072192) and is engaged in the business of manufacture of agricultural machinery and equipments. The company had undertaken overseas direct investment (ODI) to set up a wholly owned subsidiary (WOS) "Jackbro Global Maruitius Pvt Ltd" in May 2013, which in turn had invested in Amcast Pvt. Ltd., an SDS in Zimbabwe. The company delayed the reporting of the investment in the abovementioned SDS and the submission of the APR in respect of the WOS for the year 2017. The transactions were taken on record when they were reported in December 2018, subject to compounding of the related contraventions.

3. The applicant was given an opportunity for personal hearing vide letter No. FE.CO.CEFA/2630/15.20.67/2019-20 dated November 21, 2019 for further submission in person and/or producing documents, if any, in support of the application. The personal hearing was held on December 05, 2019, during which the applicant submitted that the contraventions were inadvertent and requested that a lenient view may be taken in the matter. The application is, therefore, being considered on the basis of the averments made in the application, the documents produced and submissions made during the meeting with the Compounding Authority.

4. It has been declared in the compounding application dated August 02, 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 during the personal hearing. It was observed that the applicant has contravened the provisions of Regulation 15(iii) and Regulation 13 of Notification No.FEMA.120/2004-RB. The amount of contravention and period of contravention is as follows:

- (i) Regulation 15(iii) - APR delayed for year 2017
- (ii) Regulation 13 – Rs. 3,34,15,000/- and the period of the contravention is five years and six months approximately.

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. 2,95,000/- (Rupees Two lakhs ninety five 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) and Regulation 13 of Notification No.FEMA.120/2004-RB, on payment of a sum of Rs. 2,95,000/- (Rupees Two lakhs ninety five 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 13<sup>th</sup> day of December, 2019

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