



In the

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

Present

Shri Kalyan Chakravarthy P
Assistant General Manager

Date: March 05, 2019
C.A. HYD 377

In the matter of

M/s. Chandler Impex Pvt Ltd
H.No- 10-1-126, Flat No.201, Ashok Estates
Masabtank, Hyderabad, Telangana-500028

(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 filed the compounding application dated December 10, 2018 received on December 13, 2018 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contravention sought to be compounded is delay in reporting receipt of foreign inward remittances to Reserve Bank of India in terms of Paragraph 9(1)(A) 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 03, 2000 (hereinafter referred to as Notification No. FEMA 20/2000-RB) as then applicable.



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

- a) The applicant is a resident company incorporated as Private Limited company under the Companies Act, 2013 on 16.08.2016 (CIN:U74999TG2016PTC111486). The company is engaged in other retail sale not in stores, stalls or markets, which they have declared as permissible under 100% automatic route.
- b) The applicant had received foreign inward remittance from single foreign investor towards allotment of equity shares as indicated below.

SI No	Name of the Remitter	Total Amount (INR)	Date of Receipt	Date of Reporting
1	Jeerreddi Prasad	9,00,000.00	05.11.2016	21.12.2016
2	Anjaneya	15,00,000.00	04.01.2017	19.01.2017
	Total	24,00,000.00		

The applicant received the foreign inward remittances amounting to ₹ **24,00,000/-** as indicated above and out of which remittance amounting to ₹ **9,00,000/-** was reported with a delay of 16 days approximately as indicated above. Whereas in terms of Paragraph 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 shares and filed form FC-GPR as indicated below:

SI No.	Name of the Investor	Date of allotment of shares	Number of shares allotted	Amount for which shares allotted (INR)	Date of reporting
1	Jeerreddi	02.01.2017	90,000	9,00,000.00	11.01.2017



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2	Prasad Anjaneya	23.01.2017	150,000	15,00,000.00	04.02.2017
		Total	240,000	24,00,000.00	

The applicant filed form FCGPRs for issue of shares amounting to ₹ **24,00,000/-** as indicated above and reported within stipulated period of 30 days from the date of allotment of shares in compliance with Paragraph 9(1)(B) of Schedule 1 to Notification no. FEMA 20/2000-RB, as then applicable.

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/1800/14.66.003/2018-19 dated February 27, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The authorized representative, Mr. Shiva Rami Reddy YN, CA, appeared for personal hearing on March 05, 2019. The authorized representative of the company 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. 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 as well the submissions made in this context by the applicant during the personal hearing.

4. I have given my careful consideration to the documents on record. Accordingly, I hold that the applicant has contravened the 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 ₹ **9,00,000/-** with the delay of 16 days approximately.

5. It has been declared in the compounding application dated December 10, 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



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December 10, 2018 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 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 **₹ 10,080/- (Rupees Ten Thousand Eighty Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contravention, namely, the contravention of Paragraph 9(1) (A) 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 of **₹ 10,080/- (Rupees Ten Thousand Eighty 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 the Foreign Exchange (Compounding Proceedings) Rules, 2000 dated May 3, 2000 shall apply.



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The application is disposed accordingly.

Dated this 5th day of March 2019

(Sd/-)

(Kalyan Chakravarthy P)

Assistant General Manager