



In the  
**Reserve Bank of India**  
**Foreign Exchange Department**  
**Mumbai Regional Office**  
**Main Building, 3rd floor**  
**Shahid Bhagat Singh Marg, Fort**  
**Mumbai 400 001**

**Present**  
**Shri J.K. Pandey**  
**Chief General Manager**

**February 15, 2019**

**CA No. MUM 815/2018**

In the matter of

**M/s Rajshree Polypack Limited**  
Unit No. 503-504, Lodha Supremus, Road No. 22,  
Kishan Nagar, Near New Passport Office, Wagle Estate  
Thane (W), Maharashtra - 400604

**(Applicant)**

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

**Order**

- 1** The applicant has filed the compounding application dated December 14, 2018, received at the Reserve Bank on December 21, 2018, for compounding of contravention/s of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contravention/s sought to be compounded are in respect of the following paras under 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 and as amended from time to time (hereinafter referred to as Notification No. FEMA 20/2000-RB)



- a) Para 9 (1) (B): delay in filing Form FC GPR to Reserve Bank after issue of shares to person resident outside India
- 2 Brief details of the company M/s Rajshree Polypack Limited are as follows:

<b>Date of Incorporation</b>	October 15, 2011
<b>Its main activities are:</b>	Manufacture of stationary articles such as pens and pencils of all kinds whether or not mechanical, pencil leads, date, sealing or numbering stamps, hand-operated devices for printing or embossing labels, hand printing sets, prepared typewriter ribbons and inked pads, globes etc.

- 3 The company allotted equity shares/preference shares/convertible preference shares and filed FC-GPRs as indicated below:

<b>Contravention under Para 9(1)(B)</b>						
<b>(whereas, "Y" represents delay in number of years, "M" represents delay in number of months and "D" represents delay in number of days, LSF stands for : Late Submission Fees and FV stands for Face Value)</b>						
<b>Sno / LSF</b>	<b>Date of allotment</b>	<b>Number of shares</b>	<b>FV+ premium (in INR)</b>	<b>Amount (FV*no of shares) (in INR)</b>	<b>Date of reporting</b>	<b>Para 9 (1) (B) delay</b>
1	31/03/12	727273	165	120,000,045.00	24/04/12	<b>0</b>
2	22/11/16	1484056	10	14,840,560.00	27/02/18	<b>1Y 2M 5D</b>
<b>TOTAL</b>				<b>134,840,605.00</b>		

The applicant filed form FC-GPRs as indicated above, out of which one FC-GPR was reported with a delay of 1Y 2M 5D. 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 RBI a report in Form FC-GPR along with documents prescribed therein within 30 days from the date of issue of shares to Non Resident.



- 4 The applicant was given an opportunity for personal hearing, for further submission in person and/or for producing documents, if any, in support of the application vide e-mail dated February 11, 2019. The applicant appeared for personal hearing on February 14, 2019, during which CA Vandana Kumari (Consultant) and CA Mayank Bhimsaria (Consultant), represented the applicant in the cabin of Shri J.K. Pandey, Chief General Manager, Mumbai Regional Office. The representatives of the applicant admitted the contraventions for which compounding has been sought. During the hearing it was submitted that delay was inadvertent and unintentional. The representatives of the applicant requested that in view of the foregoing a lenient view may be taken 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 as other documents and submissions made in this context by the applicant during personal hearing and thereafter.
- 5 I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing and thereafter. Accordingly, I hold that the applicant has contravened the following FEMA provision/s issued in terms of:
  - a) Paragraph 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to persons resident outside India and the contravention relates to total amount of Rs.14,840,560 (Rupees One Crore Forty Eight Lakh Forty Thousand Five Hundred Sixty and Zero Paise Only ) and with a delay of 1Y 2M 5D approximately.
- 6 It has been declared in the compounding application dated December 14, 2018 that the particulars given by the applicant in the application are true and correct to the best of their/his/her knowledge and belief. It has also been declared in a declaration attached to 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/him/her thereafter. It has further been declared that the applicant has not filed any appeal under section 17 or section 19 of FEMA, 1999. 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.
- 7 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 Rs.72,500 (Rupees Seventy Two Thousand Five Hundred and Zero Paise Only ) will meet the ends of justice.



- 8 Accordingly, I compound the admitted contravention/s namely, the contravention/s of Para 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 of Rs. 72,500 (Rupees Seventy Two Thousand Five Hundred and Zero Paise Only ) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Mumbai Regional Office, Main Building, 3rd floor, Shahid Bhagat Singh Marg, 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
- 9 The above order is passed only in respect of contraventions of Para 9 (1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB and does not restrict the right of any other authority to proceed against the Company for any other violations/contraventions noticed at any point of time.
- 10 The application is disposed of accordingly.  
Dated: February 15, 2019

**Compounding Authority**

**(J.K. Pandey)**  
**Chief General Manager**