



In the
Reserve Bank of India
10/3/8, Nrupathunga Road
Bengaluru-560001

Present

Shri Jose J Kattoor
Regional Director, Karnataka and
Chief General Manager, Bengaluru

Date: May 14, 2019
C.A. BGL 384/2018

In the matter of

M/s Bliss Chocolates India Private Limited
No.2/A, #13, Ground Floor, Flour Mill Road
MES Colony, Konenea Agrahara, HAL Post
Bengaluru - 560017
(Applicant)

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

Order

The applicant has filed a compounding application dated February 14, 2019, received in the office of Reserve Bank of India, Bengaluru, on February 14, 2019, for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999, (the FEMA) and the Regulations issued there under. The contravention sought to be compounded is delay in reporting receipt of foreign inward remittances towards subscription to equity, in terms of Paragraph 9(1)(A) of Schedule I 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, and as amended from time to time (hereinafter referred to as Notification No. FEMA 20/2000-RB).



2. The relevant facts of the case are as follows: The applicant, M/s Bliss Chocolates India Private Limited, was incorporated on March 27, 2015, under the Companies Act, 2013, as per the Certificate of Incorporation issued by the Registrar of Companies, Karnataka. The Company is engaged in the business of manufacturing of chocolates and bakery items. The applicant had received funds towards share application money from the foreign investors, namely, Mr. Razi Fakh, UAE, Mr. Nadeem Ahmad Irfan Ahmad, UAE, MR. Sayed Kashif Akhtar, UAE, and Mr. Vinay Sharma, Australia, as shown below:

Table -1

Sr. No.	Date of Receipt	Total Amount (INR)	Date of Reporting to RBI / AD Bank
1	20-04-2015	39,00,000.00	19-05-2015
2	20-04-2015	22,50,000.00	21-05-2015
3	20-04-2015	39,00,000.00	18-05-2015
4	04-06-2015	3,66,00,017.60	30-06-2015
5	04-06-2015	2,17,50,053.60	30-06-2015
6	04-06-2015	3,66,00,017.60	30-06-2015
7	29-10-2015	77,43,840.00	26-11-2015
8	29-10-2015	45,95,032.00	26-11-2015
9	29-10-2015	77,43,840.00	26-11-2015
10	01-03-2016	75,02,000.00	20-03-2016
11	18-04-2016	37,86,300.00	25-04-2016
12	18-04-2016	63,10,500.00	25-04-2016
13	18-04-2016	63,10,500.00	25-04-2016
14	12-07-2016	90,63,600.00	12-08-2016
15	12-07-2016	53,78,100.00	12-08-2016
16	12-07-2016	90,63,600.00	12-08-2016
17	06-04-2017	1,95,49,000.00	04-05-2017
18	05-07-2017	44,00,000.00	03-08-2017
19	11-07-2017	50,42,880.00	07-08-2017
		20,14,89,280.80	



The applicant reported receipt of remittance to the Reserve Bank / Authorized Dealer Bank, with a delay of one day on four occasions, beyond the stipulated time of 30 days in respect of the remittances indicated at serial numbers 2, 14, 15, and 16, in the Table 1 above. Whereas, in terms of Paragraph 9(1) (A) of Schedule I 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.

3. The applicant was given an opportunity for personal hearing, vide the Reserve Bank's letter FE.BG.FID (CEFA) No. 5558 /22.09.530/2018-19, dated May 06, 2019, and email dated May 08, 2019, for further submission in person and/or producing documents, if any, in support of the application. The applicant's authorized representative, Mr. Vimal Sharma, Director, who appeared for the personal hearing on May 14, 2019, admitted the contravention as stated in paragraph 2 above, committed by the applicant, for which compounding has been sought. The representative of the applicant requested that as the contravention was not intentional or with a malafide intention, and was mainly due to inadvertence, 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.

4. I have given my careful consideration to the documents on record and submission made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened the following FEMA provision issued in terms of:

(a) Paragraph 9(1)(A) of Schedule I to Notification No. FEMA 20/2000-RB, due to delay in reporting of foreign inward remittances, received towards subscription to equity as detailed in paragraph 2 above. The contravention relates to an amount of ₹2,57,55,300.00, and the period of delay is one day each on four occasions.



5. It has been declared in the compounding application dated February 14, 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 been declared in the undertaking dated February 14, 2019, 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. 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 contravention which is 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 **₹11,880.00, (Rupees Eleven Thousand Eight Hundred and Eighty only)**, will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, contravention of Paragraph 9(1)(A) of Schedule I to Notification No. FEMA 20/2000-RB, by the applicant, based on the facts discussed above, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of **₹11,880.00, (Rupees Eleven Thousand Eight Hundred and Eighty only)**, which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 2nd Floor, 10/3/8, Nrupathunga Road, Bengaluru – 560001, by a demand draft drawn in favour of the “Reserve Bank of India” and payable at Bengaluru 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 of accordingly.

Dated this, the Fourteenth day of May 2019.

Sd/-

(Jose J Kattoor)
Regional Director, Karnataka and
Chief General Manager, Bengaluru