



In the  
**Reserve Bank of India**  
Foreign Exchange Department  
3<sup>rd</sup> Floor  
15, Netaji Subhas Road  
Kolkata – 700 001

Present  
**H. Thangzuan**  
**Chief General Manager**

Date: January 31, 2019  
C.A.081/2018

In the matter of  
**M/s Jyotirmoyee International Private Limited**  
6th Floor, Block-3B, Ecospace Business Park action Area-II,  
New Town, Rajarhat,  
Kolkata-700156  
West Bengal  
(Applicant)

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

### **Order**

The applicant had filed a compounding application dated November 28, 2018 (received at Reserve Bank on November 29, 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 for delay in transfer of shares from a person resident in India to a person resident outside India beyond the stipulated 60 days in terms of Paragraph 10A(b)(i) read with paragraph 10 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 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 Jyotirmoyee International Private Limited, was incorporated under Companies Act, 1956, on October 27, 2008. The applicant is in the business of support activities for mining and quarrying. The applicant had transferred the subscription to equity shares in an Indian investee company, M/s Cemtec Inda Pvt. Ltd., to a



foreign company, M/s Cemtec Cement & Mining Technology, as given in Table 1 below.

**Table 1: Details of transfer of shares from Resident to Non-Resident**

Number of instruments (equity)	Negotiated price per instrument (INR)	Amount of consideration (INR)	Date of transfer of shares	Date of reporting of FCTRS	Date of reporting of transfer of shares to RBI	Delay beyond 30 days, if any (days)
15,000.00	915.00	1,37,25,000.00	22-Jun-17	20-Jul-18	15-Sep-18	333

The aforementioned transfer of shares had been reported with a delay of 333 days, beyond the stipulated period of 60 days. Hence, there is contravention of Regulation 10(A)(b)(i) read with paragraph 10 of Schedule I to Notification No. FEMA 20/2000-RB.

3. The applicant was given an opportunity for personal hearing, vide Reserve Bank's letter No.KOL.FED.CEFA.1068/06.01.002/2018-19 dated January 10, 2019, letter No.Kol.FED.CEFA.1117/06.01.002/2018-19 dated January 21, 2019 and email dated January 14, 2019 for further submission in person and/or producing documents, if any, in support of the application. The applicant, however, did not appear for the hearing. Hence, the compounding order is being issued ex-parte.

4. It has been declared in the compounding application dated November 28, 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 been declared in the declaration 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/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. The contraventions being sought for compounding have taken place before November 7, 2017 and hence the application for compounding is being considered as per provisions of erstwhile Notification No. FEMA 20/2000-RB dated May 03, 2000.

7. 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:



Paragraph 10A(b)(i) read with paragraph 10 of Schedule 1 of Notification No.FEMA 20/2000-RB dated May 03, 2000. The contravention relates to an amount of Rs. 1,37,25,000 and the period of delay, rounded off to the next month is twelve months.

8. In terms of section 13 of the FEMA, any person contravening any provision of the act shall be liable for a penalty upto thrice the sum of the contravention upon adjudication. Considering the circumstances which led to the delay and other relevant facts of the case, I am, however, inclined to take a lenient view of the amount for which the contravention is to be compounded and I consider that an amount of Rs. 60,000 (Rupees Sixty Thousand only) will meet the end of justice.

9. Accordingly, I compound the admitted contravention namely, the contravention of paragraph 10A(b)(i), read with paragraph 10 of Schedule 1 of Notification No. FEMA 20/2000-RB dated May 3, 2000 by the applicant on the facts discussed above in terms of the Rs. 60,000 (Rupees Sixty Thousand only) which is to be deposited by the applicant with the Reserve Bank of India, Kolkata by a demand draft in favor of Reserve Bank of India and payable at Kolkata within 15 days from the date of issue of the order. In case of failure to deposit the compounded amount within the above mentioned period, Rule 10 of the Foreign Exchange (Compounding Proceeding) Rules, 2000 dated May 03, 2000 shall apply.

The application is disposed of accordingly.

(H. Thangzaman)  
Chief General Manager  
Dated this Thirty First day of January, 2019