



In the

Reserve Bank of India
Foreign Exchange Department
5th Floor, Amar Building
Sir PM Road
Mumbai – 400001

Present

Sandeep Mittal
General Manager

Date: January 25, 2018

CA NO: 4572/2017
In the matter of

CTC (India) Private Ltd
Centre Point, Room No. 322,
Hemant Basu, Sarani, Kolkata

(Applicant)

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

Order

The applicant has filed a compounding application dated November 9, 2017 (received in the Reserve Bank of India on November 17, 2017) for compounding the 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 submission of Form ODI with delay on 14.01.2016 in respect of remittance of USD 100,000 made on 13.10.2015. The above amounts to the contravention of the Regulation 6(2)(vi) of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 notified vide Notification No 120/2004-RB dated July 4, 2004, as amended from time to time (hereinafter referred to as Notification No FEMA 120-RB 2004).



2. The relevant facts of the case are follows:

The applicant company was incorporated on March 11, 1983 as Composite Tools Company (India) Pvt Ltd and its name was subsequently changed to CTC India Pvt Ltd on October 26, 2005. The applicant is engaged in the business of manufacture of printed circuit board drills, routers and other allied tools required for electronic, computer, aircraft, aerospace industries and other allied industries. The applicant had made an investment of USD 100,000 on October 13, 2015 in an overseas Joint Venture (JV), M/s. Tactilis Pte Ltd, Singapore. However, Form ODI was submitted to the AD with delay on January 14, 2016, thereby contravening Regulation 6(2)(vi) of Notification No FEMA 120-RB 2004.

3.1 Regulation 6(2)(vi) of the said notification requires the applicant to submit duly completed Form ODI, as prescribed by the Reserve Bank from time to time, to the designated branch of an authorised dealer.

4. The applicant was given an opportunity for personal hearing vide the Reserve Bank's letter FED.CO. CEFA .No./5898/15.20.67/2017-18 dated January 11, 2018 for further submission in person and /or producing documents, if any, in support of the application. The personal hearing was held on January 22, 2018 during which Ms. Reena Khaitan, Assistant CFO represented the applicant. The application is considered on the basis of the averments made and documents produced in the application.

5. I have given my careful consideration of the documents on record and submission made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened the provisions of Regulation 6(2) (vi) of FEMA 120-RB 2004 as amended from time to time. The amount and period of contravention is as follows.

i) Regulation 6(2) (vi) of FEMA 120-RB 2004 as amended from time to time: Form ODI was submitted with delay of approximately 3 months and the amount of contravention is USD 100,000(INR 65,26,000.00) .

6. In terms of provisions of Section 13 of FEMA, any person contravening any provision of the Act shall be liable to pay up to three times the sum involved in the



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 contraventions are to be compounded and I consider that an amount of Rs.11,750.00 (Rupees Eleven Thousand Seven Hundred Fifty only) will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, the contravention of Regulation 6(2) (vi) of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 notified vide Notification No 120/2004-RB dated July 4, 2004, as amended from time to time, by the applicant stated above on the facts discussed above in terms of Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of Rs.11,750.00 (Rupees Eleven Thousand Seven Hundred Fifty only) which shall be deposited by the applicant with the Reserve Bank of India, 11th Floor, Central Office Building, Shahid Bhagat Singh Marg, Mumbai-400001 by a Demand Draft drawn in favour of "Reserve Bank of India" and payable at "Mumbai" within a period of 15 days from the date of the 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 shall apply.

The application is disposed accordingly.

Dated this the twenty fifth day of January 2018.

Sd/-

(Sandeep Mittal)
General Manager