



In the  
**Reserve Bank of India**  
Foreign Exchange Department  
Fort Glacis, No.16, Rajaji Salai  
Chennai 600 001

Present

**Arundhati Mech**  
**Regional Director**

Date: May 24, 2018  
**C.A.788/2018**

In the matter of

**M/s.Sibelco India Minerals Pvt Ltd.**  
**(formerly Shri Vijaya Gimpex Mining Pvt Ltd.)**  
4A, 4th Floor, Sapna Trade Centre,  
New No. 135, Poonamallee High Road,  
Chennai- 600 084

**(Applicant)**

In exercise of the powers 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 April 16, 2018 (received at Reserve Bank on May 03, 2018) 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 submission of



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Form FC-GPR on allotment of shares with Reserve Bank, in terms of Paragraph 9 (1) B 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 3, 2000.

2. The relevant facts of the case are as follows: The applicant company was incorporated on June 07, 1991 under the provisions of the Companies Act, 1956 (Registration No. U52599TN1991PTC020922) and is engaged in business of mining of feldspar and silica minerals including quartz, quartzite and fuch Quartzite. The applicant has been earlier compounded for contraventions of Paragraphs 9(1) A and 9(1) B of Schedule 1 of Notification No. FEMA 20 and Regulation 4 of FEMA 20 vide Compounding Order C.A. No. 2840/2013 dated July 10, 2013. Subsequent to the order, the company has received a foreign inward remittance amounting to ₹ 54,00,00,000.00 on 22.08.2016 from M/s Sibelco Asia Pte. Ltd., Singapore towards subscription to equity shares and reported the same to the Reserve Bank within the prescribed time of 30 days.

3. The company allotted equity shares and filed FC-GPR as indicated below:

Sl. No	No. of shares allotted	Face Value (in Rs.)	Amount (INR)	Date of allotment of shares	Reported to RBI on
1	54000000	1	54,00,00,000.00	23.08.2016	19.12.2017

The applicant filed the form FC-GPR as indicated above with delay of one year two months 26 days approximately beyond the prescribed limit in respect of the allotment. Whereas in terms of paragraph 9 (1) B of Schedule I to Notification No. FEMA 20/2000-RB, an Indian company issuing shares in accordance with these Regulations has to submit to Reserve Bank a report in Form FC-GPR along with documents prescribed therein within 30 days from the date of issue of shares to person resident outside India.

4. The applicant was advised about the contraventions vide memorandum dated March 21, 2018. The applicant has filed a compounding application dated April 16, 2018. It has been declared in the compounding application that the particulars given by the



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applicant in the application are true and correct to the best of their knowledge and belief. It has been declared in the declaration dated April 16, 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/him/her 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.

5. The applicant was given an opportunity for personal hearing vide Reserve Bank's mail dated May 22, 2018 for further submission in person and/or producing documents, if any, in support of the application. The applicant vide mail dated May 23, 2018 opted not to appear for the personal hearing. The applicant, in the compounding application, had admitted the contravention as stated in para 3 above for which compounding has been sought. It had been submitted that the delays were unintentional. 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.

6. I have given my careful consideration to the documents on record and submissions made by the applicant in the compounding application. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:

(a) Paragraph 9 (1) B of Schedule 1 to Notification No. FEMA 20/2000-RB due to 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 an amount of ₹ 54,00,00,000.00 with the duration of contravention being one year two months 26 days approximately.



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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 consider that an amount of ₹ 2,02,500/- (Rupees two lakh two thousand and five hundred only) will meet the ends of justice.

8. Accordingly, I compound the admitted contravention namely, the contravention of paragraph 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 ₹ 2,02,500/- (Rupees two lakh two thousand and five hundred only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Fort Glacis, No.16, Rajaji Salai, Chennai - 600 001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Chennai 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 Twenty fourth day of May, 2018.

Sd/-

**Arundhati Mech**  
**Regional Director**