



In the

Reserve Bank of India

Foreign Exchange Department

Pandit Jawaharlal Nehru Marg

Bhubaneswar-751 001

Present

Shri G.C. Obanna

General Manager

Compounding Authority

Date: October 22, 2018

C.A. No. BHU16/2018

In the matter of

M/s. Orissa Stevedores (Overseas) Private Limited

OSL Tower, Link Road

Cuttack, Odisha-753012

(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 has filed a compounding application dated October 08, 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 delay in reporting receipt of foreign inward remittances towards subscription to equity in terms of para 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 3, 2000 and as amended from time to time (hereinafter referred to as Notification No.FEMA 20/2000-RB) read with A.P. (DIR Series) Circular No.20 dated December 14, 2007.



M/s. Orissa Stevedores (Overseas) Private Limited
CA No. BHU16/2018

2. The relevant facts of the case are as follows: The applicant was incorporated on September 21, 1993 and deals in carrying out the business of wholesale of textiles, fabrics, yarn, household linen, articles of clothing, floor coverings and tapestry, sports clothes. The applicant received the following inward remittance from foreign investor under automatic route and reported the same to Reserve Bank of India with delay.

Sr. No.	Amount of Foreign Inward Remittance (₹)	Receipt Date	Reporting Date to RBI
1	49,79,834.00	22.02.2017	23.08.2018
Total	49,79,834.00		

The applicant reported receipt of remittance to the Reserve Bank on date indicated above and with a delay of one year five months and one day beyond the stipulated time of 30 days. Whereas, in terms of para 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 receipt of foreign inward remittances 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 FED(Bhu) No.109/08.02.250/2018-19 dated October 12, 2018 for further submission in person and/or producing documents, if any, in support of the application. However, the applicant, vide its letter dated October 16, 2018 has opted out from appearing in personal hearing stating that they have already submitted the reasons for delay in reporting in their application and that their case may be considered based on material already submitted. The applicant, in the compounding application, had admitted the contraventions as stated in para 2 above for which compounding has been sought. 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.



M/s. Orissa Stevedores (Overseas) Private Limited
CA No. BHU16/2018

4. I have given my careful consideration to the documents on record and submission made by the applicant in the compounding application. Accordingly, I hold that the applicant has contravened the FEMA provisions issued in terms of para 9 (1) A of Schedule 1 to Notification No. FEMA 20/2000-RB due to delay in reporting of receipt of inward remittance towards subscription of equity shares as detailed in para 2 above. The contravention relates to an amount of ₹ 49,79,834 and the duration of delay is one year five months and one day.

5. It has been declared in the compounding application dated October 08, 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 dated October 08, 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. 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.

6. In terms of Section 13 of the FEMA, 1999 if any person contravening any provision of the Act, or contravenes any rule, regulation, notification, direction or order issued in exercise of the powers under this Act, or contravenes any condition subject to which an authorization is issued by the Reserve Bank, he, upon adjudication, shall be liable to a penalty up to thrice the sum involved in such contravention. However, taking into account the relevant facts and circumstances of the case as stated in the foregoing paras, I am of the view that an amount of **₹ 20,500/-** (Rupees twenty thousand five hundred only) will meet the ends of justice.



M/s. Orissa Stevedores (Overseas) Private Limited
CA No. BHU16/2018

7. Accordingly, I compound the admitted contraventions namely, the contraventions of para 9(1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000 read with AP (DIR Series) Circular No.20 dated December 14, 2007 by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of ₹ **20,500/-** (Rupees twenty thousand five hundred only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Bhubaneswar by a demand draft drawn in favour of the “Reserve Bank of India” and payable at Bhubaneswar 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 22nd day of October, 2018.

Sd/-

(G.C. Obanna)
General Manager