



In the

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

Present

Dr. K Balu
Chief General Manager

Date : November 01, 2018
C.A.825/2016

In the matter of

M/s. Lawrenceedale Agro Processing (India) Pvt Ltd.,
9A, Higgins Road,
The Nilgiris,
Ooty-643001

(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 September 04, 2018 (received at Reserve Bank on September 07, 2018) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued there under. The contraventions sought to be compounded are (i) delay in reporting of inflow of funds received from a person resident outside India for allotment of shares and (ii) delay in submission of Form FC-GPR on allotment of shares with Reserve Bank in terms of Paragraph 9 (1) A and Paragraph 9 (1) B respectively, of



M/s. Lawrencedale Agro Processing (India) Pvt Ltd.–C.A.825/2016

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).

2. The relevant facts of the case are as follows: The applicant company was incorporated on March 17, 2009 under the provisions of the Companies Act, 1956 (Registration No. U01403TZ2009PTC015079) and is engaged in business of preparation of crops for primary markets, i.e. cleaning, trimming, grading, disinfecting. The applicant received foreign inward remittances from i) M/s Aspada Investment Company, Mauritius ii) M/s Bestseller Foundation, Denmark iii) M/s Unictus Impact PCC Lif Mauritius, Mauritius towards subscription to equity shares and reported to Reserve Bank as detailed below:

Sl. No	Amount of Foreign Inward Remittance ₹	Date of receipt	Reported to RBI on
1	3,00,00,000.00	16.04.2013	30.04.2013
2	2,00,00,000.00	31.10.2013	27.11.2013
3	4,99,88,319.80	26.06.2014	23.07.2014
4	3,00,00,002.00	16.07.2015	24.07.2015
5	3,00,00,002.50	26.11.2015	22.12.2015
6	1,50,00,002.50	21.01.2016	04.03.2016
7	1,50,00,002.50	23.02.2016	02.05.2016
8	3,00,00,002.50	26.04.2016	18.05.2016
9	7,49,94,135.00	01.09.2016	29.09.2016
10	4,99,96,330.66	19.09.2016	29.09.2016
11	4,99,96,307.72	20.03.2017	18.04.2017
12	7,49,94,484.04	22.03.2017	20.04.2017

The applicant reported receipt of remittances to the Reserve Bank on dates indicated above with delay ranging from 12 days to one month nine days approximately beyond the stipulated time of 30 days in respect of the remittances at Sl. Nos. 6 and 7. 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



M/s. Lawrencedale Agro Processing (India) Pvt Ltd.–C.A.825/2016

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 company allotted equity shares and filed FC-GPRs as indicated below:

Sl. No.	No. of share allotted	Face Value ₹	Amount ₹	Date of allotment of shares	Reported to RBI on
1	1829168	1	2,99,98,355.20	16.04.2013	06.05.2013
	100		1,640.00		
2	1219512	1	1,99,99,996.80	11.11.2013	09.12.2013
3	2769436	1	4,99,88,319.80	26.06.2014	31.07.2014
4	1662050	1	3,00,00,002.50	14.08.2015	09.09.2015
5	1662050	1	3,00,00,002.50	30.11.2015	16.01.2016
6	831025	1	1,50,00,001.25	23.01.2016	18.03.2016
7	831025	1	1,50,00,001.25	25.02.2016	23.03.2016
8	1662050	1	3,00,00,002.50	27.04.2016	26.05.2016
9	31	1	31.00	10.08.2016	07.09.2016
10	100	1	2,294.00	01.09.2016	29.09.2016
	3269058		7,49,92,190.52		
11	100	1	2,294.00	30.09.2016	27.10.2016
	2179338		4,99,94,013.72		
12	5448596	1	12,49,90,792.24	23.03.2017	20.04.2017

The applicant filed the form FC-GPRs as indicated above with delay ranging from five days to 23 days approximately beyond the stipulated time of 30 days in respect of the allotments at Sl. Nos. 3,5 and 6. 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 October 27, 2016 and March 22, 2018. The applicant has filed a compounding application dated September 04, 2018. It has been declared in the compounding application 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



M/s. Lawrenceedale Agro Processing (India) Pvt Ltd.–C.A.825/2016

declaration dated September 04, 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 October 26, 2018 for further submission in person and/or producing additional documents, if any, in support of the application. The applicant appeared for the personal hearing on October 31, 2018 during which Shri Venkatesh Vishwanathan, Chief Financial Officer and Shri Sriram S, Consultant represented the applicant. The authorized representatives of the applicant admitted the contraventions as stated in para 2 and 3 above committed by the applicant for which compounding has been sought. During the personal hearing, it was submitted that the delays were unintentional. In view of the above, they requested Reserve Bank to take a lenient view in the matter. 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 the personal hearing.

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

- (a) Paragraph 9 (1) A of Schedule 1 to Notification No. FEMA 20/2000-RB due to delay in reporting of receipt of inward remittances towards subscription of equity



M/s. Lawrenceedale Agro Processing (India) Pvt Ltd.–C.A.825/2016

shares as detailed in paragraph 2 above. The contravention relates to an amount of ₹ 3,00,00,005.00 with duration of contravention ranging from 12 days to one month nine days approximately; and

(b) 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. The contravention relates to an amount of ₹ 9,49,88,323.55 with the duration of contravention ranging from five days to 23 days approximately.

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 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 **₹44,500/-** (Rupees forty four thousand and five hundred only) will meet the ends of justice.

8. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9 (1) A and 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 **44,500/-** (Rupees forty four 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.



M/s. Lawrenceedale Agro Processing (India) Pvt Ltd.–C.A.825/2016

Dated this first day of November, 2018.

Sd/-

Dr. K Balu

Chief General Manager