



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
6, Sansad Marg
New Delhi-110001

Present

Sh. Rohit Jain
Chief General Manager

Date: March 22, 2017
C.A.NDL 230/2016

In the matter of

Tinius Olsen India Private Limited
Naimex House, A-8, Mohan Cooperative Industrial Estate
Mathura Road, New Delhi - 110044

(Applicant)

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

Order

The applicant has filed a compounding application dated November 15, 2016 (received in Reserve Bank of India on November 16, 2016) for compounding of contravention of the provisions of the Foreign Exchange Management Act, 1999 (hereinafter referred to as FEMA) and the regulations issued thereunder. The contravention sought to be compounded is that of delay in reporting of FC-GPR form for allotment of shares in terms of Paragraph 9(1)(B) 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 3rd May, 2000 as amended from time to time (hereinafter referred to as FEMA 20/2000- RB).

2. The relevant facts of the case are as follows:



a) The applicant company was incorporated under the Companies Act, 1956 on April 24, 2008 and allotted registration No. U29113DL2008PTC177135 by the Registrar of Companies. The applicant company is engaged in manufacturing and export of static tension, compression materials testing machines and Universal Testing Machine.

b) The applicant company had allotted equity shares on 4 occasions from 19.01.2009 to 13.06.2014, out of which, on 3 occasions the reporting of form FC-GPR was done with delay ranging from 1 year 3 months and 15 days to 1 year 11 months and 21 days beyond the prescribed period in contravention of Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000

Contravention of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB				
S. No.	Date of Allotment	No. of shares allotted	Amount (Rs.)	Date of Reporting
1	19.01.2009	6000	6,00,000.00	08.02.2011
2	24.09.2009	18000	18,00,000.00	08.02.2011
3	13.06.2014	90000	90,00,000.00	06.11.2015
			1,14,00,000.00	

Whereas, in terms of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures 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.

Thus, there is a contravention of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB dated May 3, 2000.

3. The applicant was given an opportunity for personal hearing for further submission in person and/or by producing documents, if any, in support of the application. Sh. Dal Veer Singh, Authorised Signatory of the company appeared for the personal



hearing on March 20, 2017 on behalf of the company. The authorised representative of the applicant company admitted the contravention committed by the company for which they have sought compounding. He further stated that the reporting was not done in time due to lack of knowledge of FEMA compliances and resignation of the person who was dealing with the reporting of documents.

The application for compounding is, therefore, being considered on the basis of the averments made in the application as well as submissions made in this context by the applicant during the personal hearing.

4. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB for delay in filing of form FC-GPR with RBI. The contravention relates to an amount of Rs. 1,14,00,000/- and the period of contravention is ranging from 1 year 3 months and 15 days to 1 year 11 months and 21 days.

5. In terms of Section 13 of 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 **Rs.24,635/- (Rupees Twenty four thousand six hundred and thirty five only)** will meet the ends of justice.

6. Accordingly, I compound the admitted contravention of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000- RB by the applicant on the facts detailed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of **Rs 24,635/- (Rupees Twenty four thousand six hundred and thirty five only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 6, Sansad Marg, New Delhi – 110001 by a demand draft drawn in favour of the “Reserve Bank of India” and payable at New Delhi 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



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Foreign Exchange (Compounding Proceedings) Rules, 2000 dated May 3, 2000 shall apply.

The application is disposed of accordingly.

Dated this the 22nd day of March, 2017.

Sd/-

(Rohit Jain)

Chief General Manager