



In the

**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
Secretariat Road  
Saifabad, Hyderabad 500 004

Present

R. Subramanian  
Regional Director

Date: March 03, 2017  
C.A. HYD 182

In the matter of

M/s. SSK Ventures Pvt. Ltd.  
C2, Pooja Plaza  
Vikrampuri  
Secunderabad 500009.

**(Applicant)**

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

**Order**

The applicant has filed the compounding application dated December 05, 2016 received on December 16, 2016 for compounding of contraventions of the provision of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions sought to be compounded is delay in submission of Form FC-GPR to the Reserve Bank after issue of shares towards subscription to equity to a person resident outside India in terms of Paragraph 9 (1) (B) of Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000 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 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:

a) The applicant is a resident company incorporated on 26.12.2012 as a private limited company under Companies Act, 1956. The company is in the business of horticulture, green house farming- cultivation of exotic fruits and vegetables under controlled environment including hydroponics.

b) The company allotted equity shares and filed Form FC-GPRs as indicated below:

SN	Name of Investor	Date of allotment of shares	Number of shares allotted	Amount for which shares allotted (₹)	Date of reporting to RBI
1	Saptashva Solar SA	26.08.2015	9,23,170	2,64,94,979	18.11.2015
2	Saptashva Solar SA	13.10.2015	76,798	22,04,103	18.11.2015
3	Saptashva Solar SA	30.03.2016	7,24,683	2,07,98,403	17.06.2016
4	Saptashva Solar SA	02.05.2016	39,199	11,25,011	17.06.2016
	Total		17,63,850	5,06,22,496	

The applicant filed Form FC-GPRs for issue of shares amounting to ₹ 2,86,99,082/- with a delay ranging from 6 days to 1 month 23 days approximately beyond the prescribed limit. The company has stated that FC-GPRs for issue of 7,24,683 equity shares on 30.03.2016 and 39,199 equity shares on 02.05.2016 were reported with delay since the company had problems filing the same through e-Biz Portal. Whereas in terms of Paragraph 9 (1) (B) of Schedule 1 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.



3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No.HY.FE.FID/1554/14.66.003/2016-17 dated February 07, 2017 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant appeared for personal hearing on 09.02.2017 during which Ms. Bhargavi M, Manager represented the applicant. The authorized representative of the applicant admitted the contraventions for which the compounding has been sought. However, the representative also said that the delay was also on account of non -availability of e-Biz Portal. The representative vide e-mail dated 01.03.2017 has stated that they have approached the E-biz support team with their concerns on 09<sup>th</sup> February, 2017. In view of the foregoing, the applicant requested to take a lenient view in disposal of the application. The application for compounding is, therefore, being considered on the basis of the averments made in the application as well the submissions made in this context by the applicant during the personal hearing.

4. I have given my careful consideration to the documents on record. Accordingly, I hold that the applicant has contravened the FEMA provisions issued in terms of Paragraph 9 (1) (B) of Schedule 1 to Notification No. 20/2000-RB for delay in submission of Form FC-GPR to Reserve Bank after issue of shares to persons resident outside India and the contravention relates to an amount of ₹ 2,86,99,082/- and the period of contravention ranges from 6 days to 1 month 23 days approximately.

5. In terms of Section 13 of the FEMA, any person contravening any provision of the Act shall be liable to a penalty upto 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 contravention is to be compounded and I consider that an amount of Rs.18,700/- (Rupees Eighteen Thousand Seven Hundred Only) will meet the ends of justice.



6. Accordingly, I compound the admitted contraventions, namely, the contraventions 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 Rs.18,700/- (Rupees Eighteen Thousand Seven Hundred Only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 1st Floor, Saifabad, Hyderabad - 500004 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Hyderabad 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, Rule10 of the Foreign Exchange (Compounding Proceedings) Rules, 2000 dated May 3, 2000 shall apply.

The application is disposed accordingly.

Dated this 03<sup>rd</sup> day of March 2017

Sd/-

(R. Subramanian)  
Regional Director