



In the

**Reserve Bank of India**  
10/3/8, Nrupathunga Road,  
Bengaluru-560001

Present

**Eugene E Karthak**  
**Regional Director**

Date: April 04, 2017  
**C.A. BGL194/2016**

In the matter of

**M/s Raftaar Terminals Pvt. Ltd.**  
4/152, Laxman Building, Near Ganesh Shipping,  
Mangaluru - 575006  
**(Applicant)**

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

#### **ORDER**

The applicant has filed a compounding application dated November 15, 2016 (received at the Reserve Bank on November 15, 2016), 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 receipt of foreign inward remittances towards subscription to equity and (ii) delay in submission of Form FC-GPRs to the Reserve Bank after issue of shares to a person resident outside India in terms of paragraphs 9(1) (A) and 9(1) (B) respectively, 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 03, 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, M/s. Raftaar Terminals Pvt. Ltd., was incorporated on July 21, 2014, under the Companies Act, 2013. The company is engaged in the business of build and operate in transportation, warehousing, distribution, liquid storage terminals of all types of storage system like liquid petroleum products, etc. The applicant received funds towards share application money from foreign investor viz. M/s ATS Terminals FZE as shown below:

Sr. No.	Date of Receipt	Amount (Rs.)	Date of Reporting
1	30.06.2015	54,60,111.00	27.07.2015
2	27.07.2015	50,57,670.00	24.08.2015
3	19.11.2015	3,01,31,383.00	16.12.2015
4	27.01.2016	6,79,97,484.00	16.02.2016
5	27.01.2016	5,22,852.00	16.02.2016
6	21.04.2016	6,62,49,139.00	08.06.2016
7	08.06.2016	3,33,04,134.00	30.06.2016
8	18.07.2016	3,35,48,524.00	11.08.2016
9	25.08.2016	5,02,11,496.00	07.10.2016
	<b>TOTAL</b>	<b>29,24,82,793.00</b>	

The applicant reported receipt of remittances to the Reserve Bank / Authorized Dealer Bank with delay ranging from thirteen days to eighteen days approximately beyond the stipulated time of 30 days in respect of remittances indicated at Sr Nos. 6 and 9. Whereas, in terms of paragraph 9 (1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures in accordance with 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 company allotted equity shares and filed FC-GPRs as indicated below:



Sl. No.	Date of Allotment	Amount (INR)	Date of reporting
1	30.07.2015	1,03,25,000.00	27.08.2015
2	24.11.2015	3,01,31,373.75	17.02.2016
3	30.01.2016	6,85,20,330.00	07.07.2016
4	25.04.2016	6,62,49,130.00	07.07.2016
5	10.06.2016	3,33,04,130.00	07.07.2016
6	17.10.2016	8,37,60,020.00	03.11.2016
<b>Total</b>		<b>29,22,89,983.75</b>	

The applicant filed the Form FC-GPRs on allotment of shares with the Reserve Bank / Authorized Dealer bank, with a delay ranging from one month and twelve days to four months and eight days approximately beyond the prescribed period of 30 days in respect of allotment of shares indicated at Sr. No. 2, 3 and 4. 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 persons resident outside India.

4. The applicant was given an opportunity for personal hearing, vide the Reserve Bank's letter No. FE.BG.FID (CEFA) No. 5689/22.09.506/2016-17 dated March 21, 2017 for further submission in person and/or producing documents, if any, in support of the application. The applicant appeared for the personal hearing on March 28, 2017 and Shri Naveen Rai, Accounts and Admin Manager along with Shri Nirav B Mehta, Practicing Chartered Accountant represented the applicant. The authorized representatives of the applicant admitted the contraventions as stated in paragraphs 2 and 3 above committed by the applicant, for which compounding has been sought. The representative of the applicant requested that as the contraventions were not intentional and were beyond the control of the applicant, a lenient view may be taken 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 as other documents and submissions made in this context by the applicant during personal hearing and thereafter.

4. I have given my careful consideration to the documents on record. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:

(a) Paragraph 9 (1) (A) of Schedule I to Notification No. FEMA 20/2000-RB due to delay in reporting of foreign inward remittances received towards subscription to equity as detailed in paragraph 2 above. The contravention relates to an amount of **Rs. 11,64,60,635/-** and the duration ranges from thirteen days to eighteen days approximately.

(b) Paragraph 9 (1) (B) of Schedule I to Notification No. FEMA 20/2000-RB due to delay in submission of Form FC-GPRs to the Reserve Bank after issue of shares to persons resident outside India and the contravention relates to an amount of **Rs. 16,49,00,833.75** and the duration ranges from one month and twelve days to four months and eight 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 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. 66,000/- (Rupees Sixty Six Thousand only)** will meet the ends of justice.

6. Accordingly, I compound the admitted contraventions namely, contraventions of Paragraphs 9(1) (B) and 8 of Schedule I 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. 66,000/- (Rupees Sixty Six Thousand only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange



Department, 2<sup>nd</sup> Floor, 10/3/8, Nrupathunga Road, Bengaluru - 560001 by a demand draft drawn in favour of the “Reserve Bank of India” and payable at Bengaluru 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 fourth day of April 2017.

Sd/-

(Eugene E Karthak)  
**Regional Director**