



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

Present

R Kesavan
Chief General Manager

Date: June 07, 2017
C.A.632/2016

In the matter of

M/s. Cheyyar SEZ Developers Pvt Ltd.
Plot No. 3A, SIPCOT Industrial Park,
Mangal Village, Mathur Post, Vembakkam Taluk,
Thiruvannamalai-631701

(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 January 10, 2017 (received at Reserve Bank on January 11, 2017) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued there under. The contravention sought to be compounded is delay in submission of Form FC-GPR on allotment of shares to Reserve Bank, in terms of



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Paragraph 9 (1) B 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).

2. The relevant facts of the case are as follows: The applicant company was incorporated on November 13, 2006 under the provisions of the Companies Act, 1956 (Registration No. U70200TN2006FTC061496) and is engaged in Business of lessors of real property.

3. The company has allotted shares on 25 occasions. Six of the Form FC GPRs filed after allotment of shares between 01.12.2006 and 05.12.2007 have been taken on record. The company has further allotted shares and filed FC-GPR as indicated below:

Sl. No	No. of shares allotted	Face Value (in Rs.)	Amount (INR)	Date of allotment of shares	Reported to RBI on
1	621480	10	62,14,800	24.07.2008	11.11.2008
2	2449102	10	24,49,10,200	24.07.2008	11.11.2008
3	641290	10	6,41,29,000	29.10.2008	12.05.2009
4	151632	10	1,51,63,200	20.07.2009	21.10.2009
5	753780	10	7,53,78,000	05.05.2010	08.09.2010
6	928000	10	9,28,00,000	26.06.2010	08.09.2010
7	1050640	10	10,50,64,000	05.10.2010	23.11.2010
8	928000	10	9,28,00,000	11.10.2010	23.11.2010
9	1353000	10	13,53,00,000	18.12.2010	18.01.2011
10	892600	10	8,92,60,000	04.01.2011	03.02.2011
11	901000	10	9,01,00,000	04.02.2011	08.03.2011
12	1789600	10	17,89,60,000	07.03.2011	29.03.2011
13	1308900	10	13,08,90,000	26.08.2011	23.09.2011
14	1813200	10	18,13,20,000	28.09.2011	20.10.2011
15	1470900	10	14,70,90,000	08.11.2011	29.11.2011
16	1312354	10	13,12,35,400	19.01.2016	17.03.2016
17	2628000	10	26,28,00,000	20.02.2016	15.03.2016
18	2628000	10	26,28,00,000	28.09.2016	21.10.2016
19	2000000	10	20,00,00,000	17.02.2017	16.03.2017



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The applicant filed the form FC-GPRs as indicated above with delay ranging from one day to five months 13 days approximately beyond the prescribed limit in respect of allotments at Sr.Nos.1 to 9 and 11. 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 given an opportunity for personal hearing vide Reserve Bank's mail dated May 30, 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 June 02, 2017 during which Shri V Panchatcharam, Senior Chief Financial Officer, and Shri Aparajith Jayaraman, of the Company represented the applicant. The authorized representative of the applicant admitted the contravention as stated in para 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 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.

5. 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) 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 and the contravention relates to an amount of



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₹ 92,18,59,200/- with the duration of contravention ranging from one day to five months 13 days approximately.

6. 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 ₹ 1,23,250/- (Rupees one lakh twenty three thousand two hundred and fifty only) will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, the contravention 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 ₹ 1,23,250/- (Rupees one lakh twenty three thousand two hundred and fifty 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.

Dated this Seventh day of June, 2017.

Sd/-

R Kesavan
Chief General Manager