



In the

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

Present

R. Subramanian  
Regional Director

Date: July 17, 2017  
C.A. HYD 199

In the matter of

M/s. Zenara Pharma Pvt. Ltd  
Plot no. 83/B, 84, 87-96,  
Phase III,  
IDA Cherlapally,  
Hyderabad 500051

**(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 March 14, 2017 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are (i) delay in reporting receipt of foreign inward remittances; (ii) 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) (A) and 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



Compounding of contraventions under FEMA 1999  
M/s. Zenara Pharma Pvt. Ltd.  
CA No HYD 199

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 as Private Limited company under the Companies Act, 1956 on 18.03.2004. The company is engaged in the business of manufacture of allopathic pharmaceutical preparations.
- b) The applicant had received foreign inward remittances from foreign companies towards advance for subscription to equity shares as indicated below.

Sl No	Name of Remitter	Total Amount (INR)	Date of Receipt	Date of Reporting
1	Nulife (Cyprus) Limited	24,21,86,438	07.12.2007	18.10.2010
2	Nulife (Cyprus) Limited	1,96,74,410	31.12.2007	28.09.2010
3	Nulife (Cyprus) Limited	4,02,29,397	04.03.2008	28.09.2010
4	Nulife (Cyprus) Limited	1,68,12,000	23.07.2008	07.10.2010
5	Nulife (Cyprus) Limited	2,69,99,000	08.11.2010	25.01.2011
6	Camzena Holdings Ltd	2,81,64,750	10.11.2010	02.12.2010
7	Camzena Holdings Ltd	1,75,38,711	27.05.2014	11.07.2014
8	Camzena Holdings Ltd	11,80,11,976	28.05.2014	11.07.2014
9	Camzena Holdings Ltd	60,00,000	02.06.2014	11.07.2014
10	Camzena Holdings Ltd	60,00,000	20.06.2014	23.07.2014
11	Camzena Holdings Ltd	60,00,000	01.07.2014	23.07.2014
12	Camzena Holdings Ltd	60,00,000	16.07.2014	23.07.2014
13	Camzena Holdings Ltd	60,00,000	24.07.2014	23.07.2014
14	Camzena Holdings Ltd	30,00,000	30.07.2014	23.12.2014
15	Camzena Holdings Ltd	8,00,000	07.08.2014	23.12.2014
16	Camzena Holdings Ltd	66,701.38	30.09.2014	23.12.2014
17	Camzena Holdings Ltd	51.00	21.10.2014	23.12.2014
18	Camzena Holdings Ltd	6,94,05,250	28.01.2015	09.02.2015
19	Camzena Holdings Ltd	4,14,37,500	13.05.2015	12.06.2015



Compounding of contraventions under FEMA 1999  
M/s. Zenara Pharma Pvt. Ltd.  
CA No HYD 199

20	Camzena Holdings Ltd	1,97,55,000	29.09.2015	29.09.2015
21	Camzena Holdings Ltd	3,67,60,000	04.03.2016	04.04.2016
22	Camzena Holdings Ltd	7,67,65,900	31.08.2016	08.09.2016
	<b>TOTAL</b>	<b>78,76,07,084.38</b>		

The company received inward remittances amounting to Rs. 78, 76, 07,084.38/- during the period 07.12.2007 to 31.08.2016. The company was compounded for the contraventions amounting to Rs. 37,40,65,995/- listed at S. Nos 1 to 6 vide CA No. 1672/2011 dated 26.07.2011. The company has delayed in filing of inward remittances amounting to Rs. 18, 81, 77,439.38/- with delays ranging from 1 day to 3 months 24 days approximately as indicated above. 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.

c) The company allotted equity shares and filed form FC-GPRs as indicated below.

Sl. No.	Name of investor	Date of allotment of Shares/CCDs	No. of Shares/CCDs issued	Amount for which shares allotted (INR)	Date of Reporting
1	Nulife (Cyprus) Limited	25.07.2008	35,00,000	3,50,00,000	21.10.2010
2	Nulife (Cyprus) Limited	25.03.2010	2,83,90,144	28,39,01,440	21.10.2010
3	Nulife (Cyprus) Limited	23.03.2011	53,980	2,69,99,000	16.05.2011
4	Camzena Holdings Ltd	23.03.2011	5,63,295	2,81,64,750	16.05.2011
5	Camzena Holdings Ltd	13.11.2014	43,59,002	16,94,00,000	12.02.2015
6	Camzena Holdings Ltd	20.02.2015	17,85,748	6,94,05,250	07.03.2015



Compounding of contraventions under FEMA 1999  
M/s. Zenara Pharma Pvt. Ltd.  
CA No HYD 199

7	Camzena Holdings Ltd	02.07.2015	10,62,813	4,14,37,500	31.07.2015
8	Camzena Holdings Ltd	09.11.2015	7,05,536	1,97,55,000	09.12.2015
9	Camzena Holdings Ltd	31.03.2016	13,12,857	3,67,60,000	27.04.2016
10	Camzena Holdings Ltd	08.09.2016	26,47,100	7,67,65,900	30.09.2016
<b>Total</b>			<b>4,43,80,475</b>	<b>78,75,88,840</b>	

The company has filed FC-GPRs for issue of shares amounting to Rs. 78, 75, 88,840/- .Earlier the company was compounded for delay in filing of FC-GPRs amounting to Rs. 37,40,65,190/- vide CA No. 1672/2011 dated 26.07.2011. The company has delayed in filing of FC-GPRs amounting to Rs. 16, 94, 00,000/- by 2 months approximately beyond the prescribed limit. 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 FCGPR 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/09/14.66.003/2017-18 dated July 03, 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 July 07, 2017 during which Shri Abhinay Yenumula, Company Secretary, Shri Ajay Swengly, Executive Director and Ms. Sonakshi Sharma, Associate, AZB & Partners represented the applicant. The authorized representatives of the applicant admitted the contraventions for which the compounding has been sought. During the personal hearing it was submitted that the delay was not willful or with a malafide intention and the delay in reporting of ARFs and filing of FC-GPRs was on account of there being a change in



Compounding of contraventions under FEMA 1999  
M/s. Zenara Pharma Pvt. Ltd.  
CA No HYD 199

the management and no technical person to submit regulatory compliances. In view of the foregoing, the representative of 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 following FEMA provisions issued in terms of:-

(a) Paragraph 9 (1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB for delay in reporting the receipt of consideration towards issue of shares amounting to Rs. 18, 81, 77,439.38/- and the delay ranges from 1 day to 3 months 24 days approximately.

(b) 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 Rs. 16, 94, 00,000/- and the period of contravention is 2 months 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. 83,423/- (Rupees Eighty Three Thousand Four Hundred Twenty Three Only)** will meet the ends of justice.

6. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9 (1) (A) and 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



Compounding of contraventions under FEMA 1999  
M/s. Zenara Pharma Pvt. Ltd.  
CA No HYD 199

Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of **Rs. 83,423/- (Rupees Eighty Three Thousand Four Hundred Twenty Three 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, Rule 10 of the Foreign Exchange (Compounding Proceedings) Rules, 2000 dated May 3, 2000 shall apply.

The application is disposed accordingly.

Dated this 17<sup>th</sup> day of July 2017

Sd/-

(R. Subramanian)  
Regional Director