



In the

**Reserve Bank of India**  
Foreign Exchange Department  
Mumbai Regional Office  
Main Building, 3rd Floor  
Shahid Bhagat Singh Marg, Fort  
Mumbai 400 001

Present

**Shri. G P Borah**  
Chief General Manager

**Date: August 04, 2017**

**C.A. No. 689/2017**

In the matter of

**M/s 564,905 Pvt. Ltd.**  
243, Floor 3, City Centre  
Jahangir Boman, Behram Marg  
Bellasis Road, Mumbai Central  
Mumbai-400008

**(Applicant)**

In exercise of the powers conferred 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**

1.The applicant has filed the compounding application dated March 24, 2017 (received at the Reserve Bank on March 24, 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 remittance towards subscription to equity; and (ii) delay in submission of Form FC-GPR 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 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 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 February 08, 2010 under the Companies Act, 1956 and is engaged in the business of enabling infrastructure for businesses in the foods processing sector, especially for fruits and vegetables processing, meats processing and diary processing industries including Special Economic Zones, water treatment facilities, effluent treatment facilities, power generation facilities, transport and warehousing facilities and communication facilities, to establish joint ventures and partnerships with various companies to achieve its objective of developing foods processing industrial clusters and to make direct investments in food processing businesses. The applicant received foreign inward remittance from Ms. Kiran Reddy Pendri, USA; Mr. George Ronald Hornig, USA; M/s Pinnacle Capital Ltd, Mauritius; M/s GTI Capital Gamma Pvt Ltd, Mauritius and M/s Epiphany Overseas Ventures, Mauritius towards equity / preference share capital and reported the same to the Reserve Bank as indicated below.

Sr. No.	Amount of Foreign Inward remittance (INR)	Date of receipt	Date of reporting to RBI
1.	35,841.00	18.02.2010	23.01.2014
2.	25,00,000.00	19.02.2010	23.01.2014
3.	31,23,400.00	03.01.2011	23.01.2014
4.	1,24,93,600.00	03.01.2011	23.01.2014
5.	31,36,700.00	23.03.2011	23.01.2014
6.	82,56,192.96	03.05.2011	24.01.2014
7.	2,94,90,000.00	14.02.2012	14.03.2012
8.	4,37,67,700.00	10.02.2012	14.03.2012
9.	2,77,89,166.00	26.07.2012	24.08.2012
10.	25,01,09,167.00	26.07.2012	24.08.2012
11.	1,52,49,085.00	14.08.2013	03.09.2013
12.	5,31,54,251.80	10.09.2013	26.09.2013
13.	1,53,65,205.10	13.01.2014	22.01.2014
14.	62,29,940.73	31.01.2014	13.02.2014
15.	4,02,72,946.68	25.02.2014	11.03.2014
16.	7,19,99,999.79	12.05.2014	28.05.2014
17.	10,80,00,020.00	27.08.2014	29.09.2014
Total	69,09,73,216.06		



The applicant reported receipt of remittances to the Reserve Bank on dates indicated above and with a delay ranging from 2 days to 3 years 10 months 6 days approximately beyond the stipulated time of 30 days in respect of remittances recorded at serial Nos. 1 to 6, 8 and 17 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.

3. The company allotted equity shares/preference shares/convertible preference shares and filed FC-GPRs as indicated below:

Sr. No.	No. of shares	Amount in Rupees	Date of allotment	Reported to RBI on
1.	3500 ES	35,000.00	08.02.2010	23.01.2014
2.	3500 ES	24,99,980.00	21.07.2010	24.01.2014
3.	8694 ES	62,44,900.20	20.04.2011	23.01.2014
4.	2284 ES	1,24,87,564.44	27.06.2011	23.01.2014
5.	1510 ES	82,55,789.10	28.06.2011	23.01.2014
6.	12 ES & 8220 CCPS	4,37,66,992.08	07.07.2012	23.01.2014
7.	8 ES & 5480 CCPS	2,94,89,987.52	10.07.2012	23.01.2014
8.	6 ES & 4154 CCPS	2,77,89,132.80	02.08.2012	04.09.2012
9.	24138 CCPS	25,01,09,024.94	05.08.2012	04.09.2012
10.	40329 ES	6,84,03,226.77	18.11.2013	10.12.2013
11.	37,383 ES	6,18,66,995.85	10.03.2014	16.06.2014
12.	3599999ES	7,19,99,980.00	23.06.2014	21.07.2014
13.	5400001 ES	10,80,00,020.00	23.09.2014	16.10.2014
Total		69,09,48,593.70		

The applicant filed form FC-GPRs as indicated above with a delay ranging from 2 days to 3 years 10 months 16 days approximately beyond the prescribed limit in respect of allotments indicated at Sr Nos. 1 to 8 and 11 above. 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.

4. The applicant was given an opportunity for personal hearing vide e mail dated July 12, 2017 for further submission in person and/or for producing documents, if any, in support of the application. The applicant appeared for personal hearing on July 17, 2017 during which Mr. Manish Kothari, Director, Mr. Mukesh Singhal, Authorised Representative, Mr. Vimal Dhruve, Authorised Representative represented the applicant in the cabin of Shri G. P. Borah, Chief General Manager, Mumbai Regional Office. The representatives of the applicant admitted the contraventions for which compounding has been sought. During the hearing it was submitted that delay was inadvertent and unintentional. The representatives of the applicant requested that in view of the foregoing 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.

5. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing and thereafter. 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 due to the delay in reporting of receipt of foreign inward remittance towards subscription of shares as detailed in paragraph 2 above. The contravention relates to an amount of Rs. 18,13,13,453/- and the duration ranging from 2 days to 3 years 10 months 6 days approximately.

(b) Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the 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 Rs. 19,24,36,341/- with a delay ranging from 2 days to 3 years 10 months 16 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 Rs. 5,64,905 /- (Rupees Five Lakh Sixty Four Thousand Nine Hundred Five only) will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, the contraventions of Paragraphs 9(1)(A) and 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. 5,64,905 /- (Rupees Five Lakh Sixty Four Thousand Nine Hundred Five only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Mumbai Regional Office, Main Building, 3rd floor, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Mumbai 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.

8. The above order is passed only in respect of contraventions of para 9(1)(A) and 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-RB and does not restrict the right of any other authority to proceed against the Company for any other violations/contraventions noticed at any point of time.

The application is disposed of accordingly.

Dated August 04, 2017.

**Compounding Authority**

**Sd/-**

**(G P Borah)**

Chief General Manager