



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

Present

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

Date: July 31, 2017  
**C.A. BGL 220/2017**

In the matter of

**M/s Vekoma Rides Equipment (India) Private Limited**  
No. 71/1, 32<sup>nd</sup> "C" Cross. 9<sup>th</sup> Main Road  
4<sup>th</sup> Block, Jayanagar  
Bengaluru – 560 011  
**(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 March 14, 2017, received on March 15, 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 reporting receipt of foreign inward remittances towards subscription to equity, in terms of paragraph 9(1)(A) 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 Vekoma Rides Equipment (India) Private Limited, was incorporated on April 30, 2009, under the Companies Act, 1956. The activities undertaken by the company are "to carry on business of setting up of entertainment centers importing various machines and equipment in connection with amusement and gaming operation



of entertainment centers”. The applicant had received funds towards share application money from foreign investor, namely, M/s Vekoma Rides Equipment B.V, Netherlands, as shown below:

Sl. No	Date of receipt	Amount (INR)	Date of Reporting to RBI/AD
1	27-09-2010	44,58,150.00	13-12-2010
2	22-03-2012	65,10,000.00	06-09-2012
3	22-03-2012	81,37,500.00	15-10-2012
	<b>TOTAL</b>	<b>1,91,05,650.00</b>	

The applicant reported receipt of remittances to the Reserve Bank / Authorized Dealer Bank with a delay ranging from one month and sixteen days to five months and twenty four days approximately, beyond the stipulated time of 30 days in respect of remittances indicated above. Whereas, in terms of paragraph 9(1) (A) of Schedule I 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 applicant was given an opportunity for personal hearing, vide the Reserve Bank’s letter FE.BG.FID (CEFA) No.262/22.10.102/2017-18 dated July 26, 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 July 31, 2017, during which Shri Thirupal Gorige, Company Secretary, represented the applicant. The authorized representative of the applicant admitted the contraventions as stated in paragraph 2 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.1,91,05,650.00** and the period of delay ranges from one month and sixteen days to five months and twenty four 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 contravention is to be compounded, and I consider that an amount of **Rs.17,630.00 (Rupees Seventeen Thousand Six Hundred and Thirty only)** will meet the ends of justice.

6. Accordingly, I compound the admitted contravention namely, contravention of Paragraph 9(1) (A) 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.17,630.00 (Rupees Seventeen Thousand Six Hundred and Thirty 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, the Thirty First day of July, 2017.

Sd/-

(Eugene E Karthak)  
Regional Director