



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: October 25, 2017
C.A.709/2016

In the matter of

M/s. APC Drilling & Construction Pvt Ltd.
153/C7, 3rd Floor, R Gopal Complex,
Salem Road,
Namakkal 637 001

(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 August 21, 2017 (received at Reserve Bank on September 05, 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



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submission of Form FC-GPR on allotment of shares with Reserve Bank, in terms of 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 June 06, 2014 under the provisions of the Companies Act, 1956 (Registration No. U74999TZ2014PTC020465) and is engaged in business of support activities for other mining and quarrying. The applicant received foreign inward remittance amounting to ₹ 20,15,61,250/- between 25.07.2014 and 03.11.2015 from i) M/s DC Star Venture LLC, USA ii) Shamaradi Industrial FZC,UAE towards subscription to equity shares and reported the same to the Reserve Bank within the stipulated time of 30 days.

3. The company allotted equity shares and filed FC-GPR as indicated below:

Sl. No.	No. of shares/CCPs allotted	Face Value (in Rs.)	Amount (INR)	Date of allotment of shares	Reported to RBI on
1	1007786	10	7,55,83,950	22.09.2014	11.12.2014
2	449149	10	3,36,86,175	17.11.2014	08.01.2015
3	731964	10	5,85,57,120	25.05.2015	27.06.2015
4	421673	10	3,37,33,840	22.11.2015	05.01.2016

The applicant filed the form FC-GPRs as indicated above with delay ranging from three days to one month 19 days beyond the stipulated time of 30 days in respect of the allotments. 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 October 23, 2017 for further submission in person and/or producing



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documents, if any, in support of the application. The applicant appeared for the personal hearing on October 25, 2017 during which Shri M Damodaran, Practising Company Secretary represented the applicant. The authorized representative of the applicant admitted the contraventions as stated in para 2 and 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 ₹ 20,15,61,085/- with the duration of contravention ranging from three days to one month 19 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 contravention is to be compounded and I consider that an amount of ₹ 30,500/- (Rupees thirty thousand five hundred 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



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Proceedings) Rules, 2000 on payment of an amount of **₹ 30,500/-** (Rupees thirty thousand five hundred 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 Twenty fifth day of October, 2017.

Sd/-

R Kesavan
Chief General Manager