



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
6, Sansad Marg
New Delhi-110001

Present
K. K. Saraf
Regional Director

Date: November 22, 2017
C.A.NDL 263/2017

In the matter of

Metenere (Global) Limited
138-139, Main Road, Near Bharat Petrol Pump, Ghazipur, Delhi 110096

(Applicant)

In exercise of the powers under Section 15 (1) of Foreign Exchange Management Act, 1999 and the Regulations / Rules / Notifications / Orders made thereunder, I pass the following order.

Order

The applicant has filed a compounding application dated October 17, 2017 (received in Reserve Bank of India on October 31, 2017) for compounding of contravention of the provisions of the Foreign Exchange Management Act, 1999 (hereinafter referred to as FEMA) and the regulations issued thereunder. The contravention sought to be compounded is that of delay in submission of form FC-GPR after allotment of shares in terms of Paragraph 9(1)(B) 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 3rd May, 2000, as amended from time to time (hereinafter referred to as FEMA 20/2000- RB).

2. The relevant facts of the case are as follows:

- a) The applicant company was incorporated under the Companies Act, 1956 on January 02, 1986 and allotted registration No.U74899DL1986PLC033985 by



Registrar of Companies. The company is providing management consultancy services.

- b) The company had allotted equity shares on 3 occasions and reported it in form FC-GPR with a delay ranging from 4 months and 16 days to 4 months and 24 days (as detailed hereunder) beyond the prescribed period in contravention of Paragraph 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000.

Contravention of Para 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB				
S.No.	Date of Allotment	No. of Shares Allotted	Amount (Rs.)	Date of reporting to RBI
1	27.03.2015	112676	23,99,99,880.00	15.09.2015
2	31.03.2015	93896	19,99,98,480.00	15.09.2015
3	14.01.2016	18171	6,59,97,072.00	07.07.2016
		Total	50,59,95,432.00	

Whereas, in terms of Paragraph 9(1)(B) of Schedule 1 to 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 a person resident outside India. Thus, there is a contravention of Paragraph 9(1) (B) of Schedule 1 to FEMA Notification No 20 /2000-RB dated May 3, 2000.

3. The applicant company was given an opportunity for personal hearing for further submission in person and/or by producing documents, if any, in support of the application. Sh. Varun Agarwal and Sh. Aakash Kumar Garg, authorised representatives of the applicant company appeared for the personal hearing on November 22, 2017 on behalf of the company. The representatives of the applicant company admitted the contravention committed by the company for which the company has sought compounding. They stated that the company was not aware about RBI timelines regarding reporting compliances and delay in filling of FC-GPR form was purely due to accidental omission and without any malafide or wilful



intention on their part. Further, they requested for 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 submissions made in this context by the applicant company during the personal hearing.

4. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened Paragraph 9 (1) (B) of Schedule 1 to FEMA 20/2000-RB due to delay in filing of form FC-GPR with RBI. The contravention relates to an amount of Rs.50,59,95,432.00 and duration of contravention is 4 months and 16 days to 4 months and 24 days.

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 contraventions are to be compounded and I consider that an amount of **Rs.1,15,000.00(Rupees One lakh fifteen thousand only)** will meet the ends of justice.

6. Accordingly, I compound the admitted contravention of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000- RB by the applicant on the facts detailed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of Rs.1,15,000.00(Rupees One lakh fifteen thousand only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 6, Sansad Marg, New Delhi-100001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at New Delhi 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 22nd day of November, 2017.

Sd/-

(K.K.Saraf)



Metenere (Global) Ltd.
CA NDL 263/2017

Regional Director