



In the

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

Present

K.K.Saraf
Regional Director

Date: November 13, 2017
C.A.NDL 256/2017

In the matter of

Rayagada Minerals and Chemical Private Limited
6 Jain Bhawan, 12 Bhagat Singh Marg, New Delhi 110001

(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 August 31, 2017 (received in Reserve Bank of India on September 4, 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-GPRs 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 November 3, 2010 and allotted registration No.U24110DL2010PTC210174 by



Registrar of Companies. The company is engaged in the business of manufacture, sale, purchase, export, import and also deals and act as an agent distributors, suppliers in various chemicals.

- b) The applicant company had allotted equity shares on 3 occasions from June 12, 2012 to January 9, 2014. Out of which, on two occasions company had reported equity shares amounting to Rs. 3,58,77,518.13 in form FC-GPR with a delay ranging of 2 years 4 months and 14 days and 2 years and 11 months (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 Equity Shares Allotted	Amount (Rs.)	Date of Reporting to RBI
1	08.11.2013	943	2,37,83,318.13	08-11-2016
2	09.01.2014	480	1,20,94,200.00	22-06-2016
			3,58,77,518.13	

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 vide our email dated November 8, 2017, for further submission in person and/or by producing documents, if any, in support of the application. However, the Director of the company, Sh. Ramanathan Chandran, vide his letter dated November 8, 2017(received through email dated November 9, 2017) expressed company's inability to appear for the personal hearing, which was fixed for November 10, 2017, and requested the Reserve Bank of India to proceed with the disposal of the case on an ex-parte basis. The application for compounding is, therefore, being considered on the basis of documents on record admitting the contravention.



4. I have given my careful consideration to the documents on record and 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.3,58,77,518.13 and duration of contravention is from 2 years 4 months 14 days to 2 years 11 months.

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 2,77,000.00 (Rupees Two lakh seventy seven thousand only)** will meet the ends of justice.

6. Accordingly, I compound the admitted the 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 2,77,000.00 (Rupees Two lakh seventy seven 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 13th day of November, 2017.

Sd/-

(K.K.Saraf)
Regional Director