



In the
Reserve Bank of India
Foreign Exchange Department
Kanpur

Present

Shri C. L. Nag
General Manager/ Compounding Authority

Date: November 02, 2017

Compounding Order No KAN7/2017-18

In the matter of

M/s AMR Carpets Pvt. Ltd.
Plot No. 1242, Village Rayan, Taluka Chauthar, Bhadohi
Sant Ravidas Nagar, Uttar Pradesh- 221401

(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 October 10, 2017 (received at Reserve Bank of India, Kanpur on October 18, 2017) for compounding of contraventions of the provisions of the Foreign Exchange



Management Act, 1999 (FEMA) and the regulations issued there under. The contravention sought to be compounded is delay in reporting foreign inward remittances in contravention 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 3rd May 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 Indian company (applicant) having its registered office at Plot No. 1242, Village Rayan, Taluka Chauthar, Bhadohi, Sant Ravidas Nagar, Uttar Pradesh- 221401 and having registration number (CIN): U74120UP2013PTC057141. The Indian Company has received USD 80,328/- (INR 49,78,729.44) and USD 1,640/- (INR 1,01,647.20) on October 09, 2013 as Foreign Direct Investment. However, Indian company reported the foreign inward remittance to RBI (through its AD Bank: Jammu & Kashmir Bank Station Road, Bhadohi, U.P. - 221401) on June 28, 2017 and requested for allotment of Unique Identification Number (UIN).

3. 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 foreign inward remittances 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.

AMR Carpets Pvt. Ltd. has reported the inward remittances beyond the prescribed period as per the details given in Table 1 below thereby contravening the said FEMA provision. The total amount of contravention was Rs.50,80,376.64 and the period of contravention was 1328 days.

Table 1

Para of Contravention	Total amount received	Date of receipt of amount (A)	Date of reporting to RBI (B)	No of days in delay (B-A) excluding 30 days
Paragraph 9(1)(A) of Schedule I to FEMA 20/2000-RB dated May 03, 2000 :- delay in reporting of foreign inward remittances	Rs. 49,78,729.44	October 09, 2013	June 28, 2017	1328 days
Paragraph 9(1)(A) of Schedule I to FEMA 20/2000-RB dated May 03, 2000 :- delay in reporting of foreign inward remittances	Rs. 1,01,647.20	October 09, 2013	June 28, 2017	1328 days

4. The applicant was given an opportunity for personal hearing vide the Reserve Bank's letter no. Kan.ViMuVi.PrViNi./357/08.11.312/2017-18 dated October 27, 2017 for further submission in person and/or producing documents, if any, in support of the application. The applicant's representative, Shri Sarvesh Sharan Srivastava, Company Secretary, appeared for personal hearing held on November 02, 2017 during which representative of the applicant admitted the contraventions for which compounding has been sought and submitted that the delay was inadvertent and unintentional. They requested that in view thereof, the



matter may be viewed leniently. 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 submitted along with the application.

5. I have given my careful consideration to the documents on record and submissions made by the applicant's representative during the personal hearing and thereafter. Accordingly, I hold that the applicant has contravened the FEMA provisions issued in terms of Paragraph 9(1) (A) of Schedule I to Notification No. FEMA 20/2000-RB as per the details given at paragraphs 2 and 3 above.

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 39,104/- (Rupees Thirty Nine Thousand One Hundred Four Only) will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions namely, the contravention of paragraph 9(1) (A) of Schedule I to Notification No. FEMA



20/2000-RB, by the applicant, as stated above on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of Rs 39,104/- (Rupees Thirty Nine Thousand One Hundred Four Only) which shall be deposited by the applicant with the, Reserve Bank of India, Foreign Exchange Department, Mahatma Gandhi Marg, Kanpur- 208 001, by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Kanpur 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 03, 2000 shall apply.

8. The application is disposed of accordingly.

Dated this 2nd day of November 2017.

Sd/-

(C. L. Nag)
General Manager/ Compounding Authority