



**In the
Reserve Bank of India
Foreign Exchange Department
7th Floor, Gera's Imperium-II,
EDC Complex, Patto Plaza,
Panaji, Goa - 403 001**

Present

**Shri. Richard Gomes
Assistant General Manager**

Date: February 26, 2020

CA No: PAN28

In the matter of

**M/s Probo Vision Dairy Private Limited
Regd. Office: Unit No.109, 1st Floor,Gera Imperium II,
EDC Complex, Patto, Tiswadi Panaji, North Goa- 403001
(Applicant)**

In exercise of the powers conferred 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 received on November 08, 2019 for compounding of contravention of the provision of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contravention sought to be compounded is delay in receipt of inward remittances against issue of shares towards subscription to



Memorandum of Association (MoA), beyond the stipulated time period, in terms of Paragraph 2 of Schedule I to Notification No. FEMA 20(R)/2017–RB dated November 07, 2017.

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

The applicant is a company registered as a private limited company, incorporated on January 09, 2018 under the Companies Act, 2013 (CIN: U74999GA2018PTC013446) with the main object of undertaking the business of Networking and setting up of range of cow stables and Dairy in India and Outside India (NIC code: 01499).

ii) The applicant had issued shares towards subscription to MoA, as indicated below –

No. of shares	Amount (in Rs.)	Dt. of Credit	Dt. of Allotment
450	45,000/-	26-Jul-2018	09-Jan-2018
550	55,000/-	23-Aug-2018	
Total	1,00,000/-	-	

The applicant had received inward remittances against the issue of shares towards subscription to MoA, beyond the stipulated period of 60 days with delays ranging from 4 months 15 days to 5 months 12 days. This is contravention in terms of Paragraph 2 of Schedule I to Notification No. FEMA 20(R)/2017–RB dated November 07, 2017.

3. The applicant was given an opportunity for personal hearing vide Reserve Bank's letter no. PNJ.FED: 546/ 02.09.027 / 2019-20 dated February 11, 2020 for further submission in person and / or producing documents, if any, in support of the application. Ms. Sushma Khandeparkar, authorized



representative from the applicant company appeared for the personal hearing on February 14, 2020. She admitted the contraventions committed by the company for which compounding has been sought. During the personal hearing, she stated that the reporting delays were inadvertent and requested that a lenient view may be taken in the matter.

It has been declared in the compounding application received on November 07, 2019 that the particulars given by the applicant in the application are true and correct to the best of their knowledge and belief and also that the applicant was not under any enquiry / investigation / adjudication by any agency such as Enforcement Directorate, CBI, etc. as on the date of the application. The applicant has also given an undertaking to inform RBI of initiation of any enquiry / investigation / adjudication proceedings against it thereafter. Accordingly, the above contravention which is being compounded in this Order is subject to the veracity of the above declarations made by the applicant and this order is without prejudice to any other action which may be taken by any authority under the extant laws if the said declarations are subsequently discovered to be false and/or incorrect.

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.

4. I have given my careful consideration to the documents on record and in the compounding application. Accordingly, I hold that the applicant has contravened the FEMA provision issued in terms of Paragraph 2 of Schedule I to Notification No. FEMA 20(R)/2017–RB dated November 07, 2017 viz. delay in receipt of inward remittances against issue of shares towards subscription to MoA, with delays ranging from 4 months 15 days to 5 months 12 days. The contravention relates to an amount of Rs.1,00,000/-.



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.50,500/- (Rupees Fifty Thousand Five Hundred only)** will meet the ends of justice.

6. Accordingly, I compound the admitted contravention namely, the contravention of Paragraph 2 of Schedule I to Notification No. FEMA 20(R)/2017–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.50,500/- (Rupees Fifty Thousand Five Hundred only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Gera Imperium II, 7th Floor, EDC Complex, Patto Plaza, Panaji, Goa 403 001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Mumbai within a period of 15 days from the date of this order. In case of failure to deposit the compounded amount within the abovementioned 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 Twenty Sixth day of February 2020.

Sd/-

(Shri. Richard Gomes)
Assistant General Manager