



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

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Present

**Shri. Richard Gomes  
Assistant General Manager**

**Date: February 13, 2020**

**CA No: PAN30**

In the matter of

**M/s Stypasta India Private Limited  
Regd. Office: H.No. 628/A (4), Canteen Molla,  
Sao Jose De Areal Village, Margao South Goa-403709**

**(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 dated January 03, 2020, for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are (i) delay in reporting receipt of funds for issue of shares, beyond the stipulated time period and (ii) delay in filing of form FC-GPR beyond the stipulated time period, in terms of paragraphs 9(1)(A) and 9(1)(B) respectively, 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 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:

i) The applicant is a company registered as a private limited company, incorporated on November 05, 2013 under the Companies Act, 1956) (CIN: U15511GA2013PTC007354) with the main object of undertaking the business of manufacture of macaroni, noodles, couscous and similar farinaceous products (NIC code: 10740).

ii) The applicant had received foreign inward remittances towards issue of equity shares as detailed below:

Sr. No.	Name of Remitter	Amount (in Rs.)	Dt. of Receipt	Reported to RBI on
1	Siclari Andrea	25,000.02	31-Dec-2013	21-Jan-2017
2	Siclari Francesco	1,25,000.06	6-May-2014	24-Jan-2017
3	M/s Stypasta S.R.L. Piazza Virgilio	1,22,550.75	22-Sep-2014	8-Feb-2017
4	Siclari Lorenzo	1,26,398.88	25-Feb-2015	3-Aug-2017
-	<b>Total</b>	<b>3,98,949.71</b>	-	-

The applicant reported receipt of remittances to the Foreign Exchange Department, Panaji Regional Office of the Reserve Bank on the dates indicated above with delays ranging from 2 years 3 months 16 days to 2 years 11 months 21 days, beyond the stipulated period of 30 days. Whereas in terms of paragraph 9(1) (A) of Schedule-I to Notification No. FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures in accordance with these Regulations



should report 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.

iii) The applicant allotted equity shares and filed FC-GPRs as indicated below:

Sr. No	Name of Investor	No. of Shares	Amount (in Rs.)	Dt. of Allotment	Reported to RBI on
1	Siclari Andrea	250	25,000/-	13-May-2014	2-Aug-2018
	Siclari Francesco	1,250	1,25,000/-		
2	M/s Stylpasta SRL Piazza Virgilio	1,225	1,22,500/-	23-Sep-2014	10-Aug-2018
3	Siclari Lorenzo	1,263	1,26,300/-	29-Mar-2015	12-Mar-2019
-	<b>Total</b>	<b>3,988</b>	<b>3,98,800/-</b>	-	-

The applicant filed Form FC-GPRs in respect of shares allotted with delays ranging from 3 years 9 months 17 days to 4 years 1 month 20 days on three occasions, beyond the stipulated period of 30 days. 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 FCGPR along with documents prescribed therein within 30 days from the date of issue of shares to a person resident outside India.

3. The applicant was given an opportunity for personal hearing vide Reserve Bank's letter no. PNJ.FED: 498/ 02.01.908/ 2019-20 dated January 21, 2020 for further submission in person and / or producing documents, if any, in support of the application. The company secretary Shri. Ajinkh P Phondekar has informed vide email dated January 23, 2020 that they did not wish to attend the personal hearing.

It has been declared in the compounding application dated January 03, 2020 that the particulars given by the applicant in the application are true and correct to the best of their knowledge and belief. It has been declared in the undertaking of DoE



investigation dated January 03, 2020 furnished with the compounding application that the applicant was under enquiry / investigation / adjudication by Enforcement Directorate, Panaji. Accordingly, RBI Panaji vide letter PNJ.FED.646/ 02.01.004/ 2018-2019 dated May 28, 2019 had sought comments from DoE as to whether it had objections, if any, in terms of the proviso to rule 8(2) of the Compounding Rules to compound the contraventions sought to be compounded by the applicant. DoE vide its letter no. T-4/ 10/ Goa/ AD/ 2018/ 543 dated July 01, 2019 has confirmed its 'no objection' to compounding by RBI in the matter. Accordingly, the above contraventions which are being compounded in this Order are 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 provisions issued in terms of:

i) Paragraph 9(1)(A) of Schedule I to Notification No. FEMA 20/2000-RB due to the delay in reporting of receipt of foreign inward remittance towards subscription to equity as detailed in paragraph 2 above. The contravention relates to an amount of **Rs.3,98,949.71/-** and the duration of contravention ranges from 2 years 3 months 16 days to 2 years 11 months 21 days.

ii) Paragraph 9(1)(B) of Schedule I 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. The contravention relates to an amount of



**Rs.3,98,800/-** /- and the duration of contravention ranges from 3 years 9 months 17 days to 4 years 1 month 20 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. 42,340/- (Rupees Forty Two Thousand Three Hundred Forty only)** will meet the ends of justice.

6. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9(1)(A) and 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-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. 42,340/- (Rupees Forty Two Thousand Three Hundred Forty only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Gera Imperium II, 7<sup>th</sup> 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 Thirteenth day of February 2020.

Sd/-

Shri. Richard Gomes  
(Assistant General Manager)