



Reserve Bank of India  
Foreign Exchange Department  
Central Vista, Sector 17, P.B.No.2  
Chandigarh-160017

Present

**Jyoti Kumar Pandey**  
**Regional Director (Punjab, Haryana and U.T. of Chandigarh) and**  
**Chief General Manager, Chandigarh**

Date: January 17, 2020  
CA No. CHA 58 /2020

In the matter of

**M/s CHC Consulting Asia-Pacific LLP**  
**12<sup>th</sup> Floor Plot A-40, Industrial Focal Point**  
**Phase-VIII B, Mohali-160059**  
**LLP Identification No. AAQ-2098**

(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 December 23, 2019 for compounding of contravention of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued there under. The contraventions sought to be compounded pertain to delay beyond 30 days in submission of Form FC-GPR to the Reserve Bank after issue of shares to a person resident outside India in terms of Para 9(1) (B) of Schedule 1 to the 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 May 3, 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 applicant LLP came into existence on August 08, 2019, upon conversion from a private limited company i.e. CHC Consulting Asia-Pacific Private Limited (incorporated on December 21, 2016) and the applicant is engaged in professional, scientific and technical activities.



3. The applicant company issued shares to the non-resident investor but filed the Form FC-GPR with delay as indicated below.

<u>Sr. No</u>	<u>Date of inflow</u>	<u>Amount (₹)</u>	<u>Shares issued on</u>	<u>Share Amount (₹)</u>	<u>Date of reporting to RBI</u>	<u>Delay beyond 30 Days</u>
1	14.02.2017	98,68,712.36	15.02.2017	98,66,110.00	21.09.2017	06 M 04 D
2	23.03.2017	63,95,000.00	28.03.2017	63,95,000.00	12.09.2017	04 M 16 D

The applicant reported the allotment of shares to the Reserve Bank with delay **ranging from 04 M 16 D to 06 M 04 D**. The delay in reporting to the Reserve Bank in Form FC-GPR, beyond the prescribed period of 30 days in respect of allotment of the above shares, is in contravention of the provisions stipulated in the Paragraph 9(1) (B) of Schedule I to FEMA Notification No.20/2000-RB dated May 3, 2000, in terms of which an Indian company issuing shares in accordance with these regulations has to submit to Reserve Bank of India a report in Form FC-GPR along with documents prescribed therein within 30 days from the date of issue of shares to the person resident outside India.

4. The applicant was given an opportunity for personal hearing vide our letter No CHD.FECG/FID/826/03.01.523/2019-20 dated December 26, 2019 for further submission in person and/or producing documents, if any, in support of the application. The representatives Mr. Akshay Aggarwal, Designated Partner and Mr. Manoj Nagpurkar, Finance Controller of the LLP appeared for the personal hearing on January 17, 2020. During the personal hearing, the representatives of the applicant admitted the contraventions committed by them for which they have sought compounding. The representative submitted that the contraventions were due to lack of awareness of the procedural requirements and were not intentional and have requested for taking a lenient view in the matter. The application is, therefore, being considered on the basis of the averments made in the application, and documents produced.

5. It has been declared in the compounding application dated December 23, 2019, 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 furnished with the compounding application that the applicant was not under any enquiry/investigation /adjudication by any agency as on the date of the application and has, in this regard, not informed of initiation of any such enquiry/investigation/adjudication proceedings against it thereafter. It has further been declared that the applicant has not filed any appeal under Section 17 or Section 19 of FEMA, 1999. 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.

6. I have given my careful consideration to the documents on record and submissions made by the applicant. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:

- a. **Paragraph 9 (1) (B) of Schedule I to Notification No. FEMA 20/2000-RB dated May 3, 2000** due to delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to persons resident outside India as detailed in paragraph 3 above. The contravention relates to an amount of ₹ **1,62,61,110/- with delay ranging from 04 M 16 D to 06 M 04 D.**

7. 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 amount of penalty of ₹ **17,000.00 (Rs. Seventeen Thousand only)** will meet the ends of justice.

8. Accordingly, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, I compound the admitted contravention committed by the applicant, namely Paragraph 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB on the facts discussed above, on payment of an amount of ₹ **17,000.00 (Rs. Seventeen Thousand only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Central Vista, Sector 17, Chandigarh-160017 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at "Chandigarh" **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: the 17<sup>th</sup> day of January 2020.

Sd/-

Jyoti Kumar Pandey

Regional Director (Punjab, Haryana and U.T. of Chandigarh) and  
Chief General Manager, Chandigarh