



In the  
**Reserve Bank of India**  
**Foreign Exchange Department**  
**Mumbai Regional Office**  
**Main Building, 3rd floor**  
**Shahid Bhagat Singh Marg, Fort**  
**Mumbai 400 001**

**Present**  
**Shri J.K. Pandey**  
**Chief General Manager**

**March 27, 2019**

**CA No. MUM812/2018**

In the matter of  
**M/s Sparkle Clean Tech Private Ltd**  
5/C, Prem Kutir,  
177 Marine Drive,  
Mumbai 400 020

**(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 thereunder, I pass the following

**Order**

- 1** The applicant has filed the compounding application dated December 03, 2018, received at the Reserve Bank on December 07, 2018, for compounding of contravention/s of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are in respect of the following paragraphs under 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 May 3, 2000 as amended from time to time (hereinafter referred to as Notification No. FEMA 20/2000-RB):



- a) Para 9 (1) (A) under Schedule I to Notification No. FEMA 20/2000- RB: Delay in reporting receipt of foreign inward remittance towards subscription to equity.
  - b) Para 9 (1) (B): under Schedule I to Notification No FEMA 20/2000- RB: delay in filing Form FC GPR to Reserve Bank after issue of shares to person resident outside India.
  - c) Para 8 under Schedule I to Notification No FEMA 20/2000- RB: Neither the equity instruments were issued, nor the money refunded to the foreign investor within 180 days from the receipt of the inward remittance.
- 2 Brief details of the company M/s Sparkle Clean Tech Private Ltd are as follows:

<b>Date of Incorporation</b>	August 11, 2005
<b>Its main activities are:</b>	Manufacturing and marketing of water treatment plant and water recycling plant.

- 3 The applicant received foreign inward remittances from non-resident investors towards equity shares / compulsorily convertible preference shares/ compulsorily convertible debentures and it reported the same to the Reserve Bank on dates as indicated below.

<b>Delay under 9(1)(A) &amp;/or Para 8</b>						
<b>(whereas, "Y" represents delay in number of years, "M" represents delay in number of months and "D" represents delay in number of days, and LSF stands for : Late Submission Fees</b>						
<b>S No/ LSF</b>	<b>Date of inward remittance</b>	<b>amount received (in INR)</b>	<b>Date of reporting to RBI</b>	<b>Para 9 (1) (A)</b>	<b>date of allotment / refund</b>	<b>Para 8</b>
1	21/06/06	454,000.00	17/03/15	8Y 7M 24D	12/10/17	10Y 9M 25D
2	12/07/06	684,104.00	17/03/15	8Y 7M 2D	12/10/17	10Y 9M 3D
3	02/08/06	459,500.00	17/03/15	8Y 6M 12D	12/10/17	10Y 8M 13D
4	15/09/06	159,355.00	17/03/15	8Y 4M 30D	12/10/17	10Y 7M 0D
5	28/09/06	1,365,225.00	17/03/15	8Y 4M 17D	12/10/17	10Y 6M 18D
6	12/10/06	609,478.00	17/03/15	8Y 4M 2D	12/10/17	10Y 6M 3D
7	31/10/06	1,103,960.00	17/03/15	8Y 3M 14D	12/10/17	10Y 5M 15D
8	17/11/06	444,905.00	17/03/15	8Y 2M 28D	12/10/17	10Y 4M 29D
9	05/12/06	1,130,944.00	17/03/15	8Y 2M 9D	12/10/17	10Y 4M 10D
10	11/01/07	1,029,476.00	17/03/15	8Y 1M 3D	12/10/17	10Y 3M 4D
11	10/02/07	1,128,105.00	17/03/15	8Y 0M 4D	12/10/17	10Y 2M 5D
12	10/02/07	152,600.00	17/03/15	8Y 0M 4D	12/10/17	10Y 2M 5D
13	28/02/07	1,859,984.00	17/03/15	7Y 11M 17D	12/10/17	10Y 1M 18D
14	31/03/07	1,069,437.00	17/03/15	7Y 10M 14D	12/10/17	10Y 0M 15D
15	26/04/07	814,592.00	17/03/15	7Y 9M 19D	12/10/17	9Y 11M 20D
16	29/05/07	644,397.00	17/03/15	7Y 8M 16D	12/10/17	9Y 10M 17D



17	29/05/07	563,797.00	17/03/15	7Y 8M 16D	12/10/17	9Y 10M 17D
18	08/06/07	810,794.00	17/03/15	7Y 8M 6D	12/10/17	9Y 10M 7D
19	12/07/07	900,899.00	29/09/07	0Y 1M 17D	31/08/07	0
20	31/08/07	304,198.00	29/09/07	0	31/08/07	0
21	03/08/07	762,475.00	17/03/15	7Y 6M 11D	12/10/17	9Y 8M 12D
22	09/08/07	601,886.00	17/03/15	7Y 6M 5D	12/10/17	9Y 8M 6D
23	29/08/07	406,618.00	17/03/15	7Y 5M 16D	12/10/17	9Y 7M 17D
24	29/08/07	406,618.00	17/03/15	7Y 5M 16D	12/10/17	9Y 7M 17D
25	14/09/07	603,534.00	17/03/15	7Y 5M 0D	12/10/17	9Y 7M 1D
26	03/10/07	980,473.00	17/03/15	7Y 4M 11D	12/10/17	9Y 6M 12D
27	23/10/07	1,174,962.00	17/03/15	7Y 3M 22D	12/10/17	9Y 5M 23D
28	05/11/07	389,310.00	17/03/15	7Y 3M 9D	12/10/17	9Y 5M 10D
29	21/11/07	1,172,713.00	17/03/15	7Y 2M 24D	12/10/17	9Y 4M 25D
30	29/11/07	392,606.00	17/03/15	7Y 2M 16D	12/10/17	9Y 4M 17D
31	14/12/07	1,953,843.00	17/03/15	7Y 2M 0D	12/10/17	9Y 4M 1D
32	24/01/08	985,158.00	17/03/15	7Y 0M 21D	12/10/17	9Y 2M 22D
33	13/02/08	793,600.00	17/03/15	7Y 0M 1D	12/10/17	9Y 2M 2D
34	27/02/08	1,988,704.00	17/03/15	6Y 11M 18D	12/10/17	9Y 1M 19D
35	04/03/08	1,007,395.00	17/03/15	6Y 11M 10D	12/10/17	9Y 1M 11D
36	24/03/08	1,007,894.00	17/03/15	6Y 10M 21D	12/10/17	9Y 0M 22D
37	02/04/08	998,900.00	17/03/15	6Y 10M 12D	12/10/17	9Y 0M 13D
38	09/04/08	998,151.00	17/03/15	6Y 10M 5D	12/10/17	9Y 0M 6D
39	28/04/08	1,003,500.00	17/03/15	6Y 9M 17D	12/10/17	8Y 11M 18D
40	02/05/08	975,600.00	17/03/15	6Y 9M 12D	12/10/17	8Y 11M 13D
41	07/05/08	20,600,000.00	17/03/15	6Y 9M 7D	12/10/17	8Y 11M 8D
42	15/05/08	2,120,000.00	17/03/15	6Y 8M 30D	12/10/17	8Y 11M 0D
43	03/06/08	1,063,250.00	17/03/15	6Y 8M 11D	12/10/17	8Y 10M 12D
44	03/06/08	850,600.00	17/03/15	6Y 8M 11D	12/10/17	8Y 10M 12D
45	25/06/08	2,141,000.00	17/03/15	6Y 7M 20D	12/10/17	8Y 9M 21D
46	03/07/08	2,165,000.00	17/03/15	6Y 7M 11D	12/10/17	8Y 9M 12D
47	25/07/08	2,111,500.00	17/03/15	6Y 6M 20D	12/10/17	8Y 8M 21D
48	08/08/08	2,110,000.00	17/03/15	6Y 6M 6D	12/10/17	8Y 8M 7D
49	22/08/08	2,169,000.00	17/03/15	6Y 5M 23D	12/10/17	8Y 7M 24D
50	11/09/08	2,272,000.00	17/03/15	6Y 5M 3D	12/10/17	8Y 7M 4D
51	19/09/08	694,800.00	17/03/15	6Y 4M 26D	12/10/17	8Y 6M 27D
52	27/09/08	2,321,500.00	17/03/15	6Y 4M 18D	12/10/17	8Y 6M 19D
53	01/10/08	1,643,600.00	17/03/15	6Y 4M 13D	12/10/17	8Y 6M 14D
54	21/10/08	739,350.00	17/03/15	6Y 3M 24D	12/10/17	8Y 5M 25D
55	04/11/08	1,179,500.00	17/03/15	6Y 3M 10D	12/10/17	8Y 5M 11D
56	15/11/08	1,224,750.00	17/03/15	6Y 2M 30D	12/10/17	8Y 5M 0D
57	03/12/08	1,247,500.00	17/03/15	6Y 2M 11D	12/10/17	8Y 4M 12D
58	08/12/08	1,230,500.00	17/03/15	6Y 2M 6D	12/10/17	8Y 4M 7D
59	23/12/08	1,697,150.00	17/03/15	6Y 1M 22D	12/10/17	8Y 3M 23D
60	05/01/09	1,209,250.00	17/03/15	6Y 1M 9D	12/10/17	8Y 3M 10D
61	09/01/09	1,223,000.00	17/03/15	6Y 1M 5D	12/10/17	8Y 3M 6D
62	28/01/09	1,221,750.00	17/03/15	6Y 0M 17D	12/10/17	8Y 2M 18D
63	04/02/09	969,720.00	17/01/12	2Y 10M 13D	12/10/17	8Y 2M 11D



64	11/02/09	971,670.00	17/01/12	<b>2Y 10M 6D</b>	12/10/17	<b>8Y 2M 4D</b>
65	25/02/09	1,490,502.00	17/01/12	<b>2Y 9M 22D</b>	12/10/17	<b>8Y 1M 21D</b>
66	11/03/09	1,033,400.00	17/03/15	<b>5Y 11M 3D</b>	12/10/17	<b>8Y 1M 4D</b>
67	27/03/09	1,021,600.00	17/03/15	<b>5Y 10M 18D</b>	12/10/17	<b>8Y 0M 19D</b>
68	29/04/09	2,503,659.00	17/01/12	<b>2Y 7M 18D</b>	12/10/17	<b>7Y 11M 17D</b>
69	04/06/09	1,174,051.00	17/01/12	<b>2Y 6M 13D</b>	12/10/17	<b>7Y 10M 11D</b>
70	11/06/09	944,479.00	17/01/12	<b>2Y 6M 6D</b>	12/10/17	<b>7Y 10M 4D</b>
71	25/06/09	1,694,781.00	17/01/12	<b>2Y 5M 22D</b>	12/10/17	<b>7Y 9M 21D</b>
72	02/07/09	1,193,175.00	17/01/12	<b>2Y 5M 15D</b>	12/10/17	<b>7Y 9M 13D</b>
73	06/07/09	1,192,925.00	17/01/12	<b>2Y 5M 11D</b>	12/10/17	<b>7Y 9M 9D</b>
74	13/07/09	1,226,916.00	17/01/12	<b>2Y 5M 4D</b>	12/10/17	<b>7Y 9M 2D</b>
75	24/07/09	1,925,673.00	03/08/09	<b>0</b>	22/12/09	<b>0</b>
76	06/08/09	1,184,678.00	12/08/09	<b>0</b>	22/12/09	<b>0</b>
77	15/09/09	966,271.00	15/09/09	<b>0</b>	22/12/09	<b>0</b>
78	26/10/09	927,035.00	10/11/09	<b>0</b>	22/12/09	<b>0</b>
79	11/11/09	929,800.00	20/11/09	<b>0</b>	22/12/09	<b>0</b>
80	12/11/09	23,234,684.00	13/11/09	<b>0</b>	22/12/09	<b>0</b>
81	09/12/09	1,165,683.00	23/12/09	<b>0</b>	22/12/09	<b>0</b>
82	21/12/09	930,484.00	31/12/09	<b>0</b>	22/12/09	<b>0</b>
83	05/01/10	1,149,687.00	09/01/10	<b>0</b>	11/03/10	<b>0</b>
84	13/01/10	908,891.00	21/01/10	<b>0</b>	24/06/10	<b>0</b>
85	28/01/10	4,571,000.00	04/03/10	<b>0Y 0M 4D</b>	14/07/10	<b>0</b>
86	08/03/10	1,123,750.00	07/04/10	<b>0</b>	14/07/10	<b>0</b>
87	23/03/10	4,489,000.00	18/04/10	<b>0</b>	14/07/10	<b>0</b>
88	17/06/10	2,303,500.00	09/07/10	<b>0</b>	14/07/10	<b>0</b>
89	23/06/10	4,568,000.00	09/07/10	<b>0</b>	14/07/10	<b>0</b>
90	23/06/10	2,284,000.00	09/07/10	<b>0</b>	14/07/10	<b>0</b>
91	21/10/10	10,945,000.00	10/11/10	<b>0</b>	24/02/11	<b>0</b>
92	10/02/11	12,375,000.00	25/02/11	<b>0</b>	24/02/11	<b>0</b>
93	06/05/11	1,116,250.00	06/06/11	<b>0</b>	25/07/11	<b>0</b>
94	09/05/11	17,760,000.00	24/05/11	<b>0</b>	25/07/11	<b>0</b>
95	19/10/11	7,123,837.00	08/11/11	<b>0</b>	23/02/12	<b>0</b>
96	19/10/11	952,380.00	14/11/11	<b>0</b>	23/02/12	<b>0</b>
97	08/10/12	1,552,500.00	22/10/12	<b>0</b>	27/02/13	<b>0</b>
98	10/10/12	8,709,016.00	25/10/12	<b>0</b>	27/02/13	<b>0</b>
99	10/05/13	10,836,000.00	28/05/13	<b>0</b>	25/11/13	<b>0Y 0M 19D</b>
100	03/10/13	1,536,250.00	17/10/13	<b>0</b>	25/11/13	<b>0</b>
101	11/10/13	1,525,250.00	14/11/13	<b>0Y 0M 3D</b>	25/11/13	<b>0</b>
102	13/11/13	3,155,000.00	28/11/13	<b>0</b>	31/03/14	<b>0</b>
103	04/03/14	9,250,500.00	08/03/14	<b>0</b>	31/03/14	<b>0</b>
104	28/05/14	2,935,000.00	03/06/14	<b>0</b>	18/11/14	<b>0</b>
105	10/06/14	1,477,000.00	11/06/14	<b>0</b>	18/11/14	<b>0</b>
106	03/07/14	3,862,950.00	08/07/14	<b>0</b>	18/11/14	<b>0</b>
107	22/07/14	597,800.00	30/07/14	<b>0</b>	18/11/14	<b>0</b>
108	20/08/14	3,609,600.00	02/09/14	<b>0</b>	18/11/14	<b>0</b>
109	04/09/14	3,599,400.00	08/09/14	<b>0</b>	18/11/14	<b>0</b>
110	28/10/14	7,619,400.00	13/11/14	<b>0</b>	18/11/14	<b>0</b>



111	10/11/14	6,110,000.00	22/12/14	0Y 0M 11D	18/11/14	0
112	07/01/15	3,775,800.00	11/02/15	0Y 0M 4D	20/01/15	0
113	12/01/15	3,088,000.00	10/02/15	0	20/01/15	0
114	24/03/15	3,087,500.00	06/04/15	0	18/05/15	0
115	14/05/15	3,165,125.00	18/05/15	0	09/06/15	0
116	05/06/15	3,160,000.00	15/06/15	0	25/11/15	0
117	01/07/15	1,887,300.00	07/07/15	0	25/11/15	0
118	14/07/15	3,137,500.00	16/07/15	0	25/11/15	0
119 A	02/12/15	18,180.00	07/12/15	0	25/11/15	0
119 B	02/12/15	3,282,320.00	07/12/15	0	29/01/16	0
120	02/12/15	3,300,500.00	08/12/15	0	29/01/16	0
121	21/12/15	3,287,500.00	30/12/15	0	29/01/16	0
122	21/12/15	3,287,500.00	30/12/15	0	02/01/16	0
123	05/02/16	3,350,000.00	20/02/16	0	01/03/16	0
124	16/02/16	3,384,500.00	20/02/16	0	01/03/16	0
125	16/02/16	3,384,500.00	20/02/16	0	01/03/16	0
126	29/08/16	3,325,500.00	07/09/16	0	08/09/16	0
127	29/08/16	3,325,500.00	06/09/16	0	08/09/16	0
128	29/08/16	3,325,500.00	06/10/16	0Y 0M 7D	08/09/16	0
129	30/09/16	3,292,500.00	03/11/16	0Y 0M 3D	17/11/16	0
130	30/09/16	3,292,500.00	03/11/16	0Y 0M 3D	17/11/16	0
131	18/10/16	3,300,000.00	03/11/16	0	17/11/16	0
132	18/10/16	3,300,000.00	03/11/16	0	17/11/16	0
133	26/10/16	3,308,500.00	03/11/16	0	17/11/16	0
134 A	18/11/16	1,075,360.00	01/12/16	0	31/12/16	0
134 B	18/11/16	2,283,640.00	01/12/16	0	11/01/17	0
135	18/11/16	3,359,000.00	01/12/16	0	11/01/17	0
136	06/12/16	3,357,500.00	08/12/16	0	11/01/17	0
137	12/01/17	3,360,000.00	19/01/17	0	14/02/17	0
138	12/01/17	3,360,000.00	19/01/17	0	14/02/17	0
139	15/02/17	3,305,000.00	08/03/17	0	15/03/17	0
140	08/03/17	3,292,500.00	15/03/17	0	15/03/17	0
141	08/03/17	987,750.00	15/03/17	0	15/03/17	0
142	13/11/17	1,620,500.00	14/12/17	0	11/01/18	0
143	09/02/18	3,187,500.00	23/02/18	0	07/04/18	0
144	22/02/18	3,221,453.00	03/03/18	0	07/04/18	0
145	22/02/18	3,221,453.00	03/03/18	0	07/04/18	0
146	09/03/18	3,225,000.00	15/03/18	0	07/04/18	0
147	09/03/18	3,225,000.00	15/03/18	0	07/04/18	0
148	27/03/18	3,208,966.00	06/04/18	0	07/04/18	0
149	05/06/18	3,323,840.00	13/06/18	0	08/06/18	0
150	12/06/18	3,325,000.00	20/06/18	0	26/06/18	0
	<b>TOTAL</b>	<b>395,261,524.00</b>				



The applicant reported receipt of remittances to the Reserve Bank of India on dates indicated above with a delay ranging from 0Y 0M 3D to 8Y 7M 24D . Further the applicant company delayed in reporting in 80 out of 150 total remittances beyond the stipulated time of 30 days. 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 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.

- 4 In respect of remittances amounting to Rs.112,576,471 (Rupees Eleven Crore Twenty Five Lakh Seventy Six Thousand Four Hundred Seventy One and Zero Paise Only ), indicated in the table above the company allotted shares after 180 days from the date of receipt of investment, with a delay ranging from: 0Y 0M 19D to 10Y 9M 25D. Whereas in terms of paragraph 8 of Schedule 1 to Notification No. FEMA 20/2000-RB, an Indian company is required to issue shares or refund the amount within 180 days from the date of receipt of inward remittance.
- 5 The company allotted equity shares/compulsorily convertible preference shares/compulsorily convertible debentures and filed FC-GPRs as indicated below:

<b>Contravention under Para 9(1)(B)</b>						
<b>(whereas, "Y" represents delay in number of years, "M" represents delay in number of months and "D" represents delay in number of days, LSF stands for : Late Submission Fees and FV stands for Face Value)</b>						
<b>Sno / LSF</b>	<b>Date of allotment</b>	<b>number of shares</b>	<b>FV+ premium (in INR)</b>	<b>Amount (FV*no of shares) (in INR)</b>	<b>Date of reporting</b>	<b>Para 9 (1) (B)</b>
1	31/08/07	120500	10	1,205,000.00	29/09/07	0
2	22/12/09	120247	260	31,264,220.00	05/01/10	0
3	24/06/10	3495	260.0546	908,890.83	07/07/10	0
4	14/07/10	61200	260	15,912,000.00	22/07/10	0
5	14/07/10	13181	260	3,427,060.00	22/07/10	0
6	24/02/11	89692	260	23,319,920.00	04/03/11	0
7	25/07/11	4293	260	1,116,180.00	16/08/11	0
8	25/07/11	68307	260	17,759,820.00	16/08/11	0
9	23/02/12	3663	260	952,380.00	29/02/12	0
10	23/02/12	27399	260	7,123,740.00	29/02/12	0
11	27/02/13	5971	260	1,552,460.00	20/03/13	0
12	27/02/13	33496	260	8,708,960.00	20/03/13	0
13	25/11/13	53451	260	13,897,260.00	27/12/13	0Y 0M 1D
14	31/03/14	47713	260	12,405,380.00	02/05/14	0Y 0M 1D
15	18/11/14	114637	260	29,805,620.00	19/01/15	0Y 1M 1D
16	20/01/15	26399	260	6,863,740.00	05/08/15	0Y 5M 15D
17	18/05/15	11875	260	3,087,500.00	02/12/15	0Y 5M 14D
18	09/06/15	12173	260	3,164,980.00	02/12/15	0Y 4M 23D
19	25/11/15	31571	260	8,208,460.00	20/02/16	0Y 1M 26D



20	29/01/16	50607	260	13,157,820.00	10/03/16	0Y 0M 10D
21	01/03/16	38919	260	10,118,940.00	22/04/16	0Y 0M 21D
22	08/09/16	38371	260	9,976,460.00	03/11/16	0Y 0M 25D
23	17/11/16	63436	260	16,493,360.00	14/03/17	0Y 2M 25D
24	31/12/16	4136	260	1,075,360.00	27/04/17	0Y 2M 24D
25	11/01/17	34615	260	8,999,900.00	27/04/17	0Y 2M 16D
26	14/02/17	25846	260	6,719,960.00	20/03/17	0Y 0M 3D
27	15/03/17	29174	260	7,585,240.00	27/04/17	0Y 0M 12D
28	12/10/17	18507	260	4,811,820.00	25/10/17	0
29	12/10/17	51391	260	13,361,660.00	23/10/17	0
30	12/10/17	321409	260	83,566,340.00	23/10/17	0
31	11/01/18	6232	260	1,620,320.00	09/02/18	0
LSF	07/04/18	74189	260	19,289,140.00	04/06/18	LSF Paid
LSF	08/06/18	12784	260	3,323,840.00	19/07/18	LSF Paid
34	26/06/18	12788	260	3,324,880.00	19/07/18	0
<b>TOTAL</b>				<b>394,108,610.83</b>		

The applicant filed form FC-GPRs as indicated above with a delay ranging from 0Y 0M 1D to 0Y 5M 15D. Whereas, in terms of Paragraph 9(1) (B) of Schedule 1 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 FC-GPR along with documents prescribed therein within 30 days from the date of issue of shares to person resident outside India. In case of allotments amounting to Rs. 2,26,12,980.00 (Rupees Two Crore Twenty Six Lakh Twelve Thousand Nine Hundred and Eighty Only) indicated in the above table as "LSF Paid", they were also reported with a delay, In terms of Regulation 13.2 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations 2000, notified vide Notification No. FEMA 20R/2017-RB dated November 07, 2017 as amended from time to time, the person/ entity responsible for filing the reports stipulated in Regulation 13.1 shall be liable for payment of late submission fee, as may be decided by the Reserve Bank, in consultation with the Central Government, for any delays in reporting. Since the applicant has already deposited the LSF amount, this delay has not been taken into consideration for computing the amount for compounding the contraventions.

- 6 The applicant was given an opportunity for personal hearing, for further submission in person and/or for producing documents, if any, in support of the application vide e-mail dated March 12, 2019. The applicant appeared for personal hearing on March 15, 2019. During which Mr Nilesh Lilani, Consultant, Mr Dhirajkumar Pandey, Consultant and Mr Chetan Shah, representative from the company, represented the applicant in the cabin of Shri J.K. Pandey, Chief General Manager, Mumbai Regional Office. The representatives of the applicant admitted the contraventions for which compounding has been sought. During the hearing it was submitted that delay was inadvertent and unintentional. The representatives of the applicant requested that in view of the foregoing a lenient view may be taken in disposal of the application. 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 during personal hearing and thereafter.



- 7 I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing and thereafter. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:
- a) Paragraph 9(1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in reporting of receipt of foreign inward remittance towards subscription towards shares as detailed above. The contravention relates to an amount of Rs.128,533,920 (Rupees Twelve Crore Eighty Five Lakh Thirty Three Thousand Nine Hundred Twenty and Zero Paise Only ) and with a delay ranging from minimum 0Y 0M 3D to maximum 8Y 7M 24D approximately.
  - b) Paragraph 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB, due to the delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to persons resident outside India and the contravention relates to an amount of Rs.151,559,980 (Rupees Fifteen Crore Fifteen Lakh Fifty Nine Thousand Nine Hundred Eighty and Zero Paise Only ) and with a delay ranging from minimum 0Y 0M 1D to maximum 0Y 5M 15D approximately.
  - c) Paragraph 8 of Schedule 1 to Notification No. FEMA 20/2000-RB, since the shares were neither issued nor the amount was refunded to the person resident outside India within 180 days from the date of receipt of the inward remittance. The contravention relates to an amount of Rs.112,576,471 (Rupees Eleven Crore Twenty Five Lakh Seventy Six Thousand Four Hundred Seventy One and Zero Paise Only ) and with a delay ranging from minimum 0Y 0M 19D to maximum 10Y 9M 25D approximately.
- 8 It has been declared in the compounding application dated December 03, 2018 that the particulars given by the applicant in the application are true and correct to the best of their/his/her knowledge and belief. It has also been declared in a declaration attached to 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/him/her 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.
- 9 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.2,081,895 (Rupees Twenty Lakh Eighty One Thousand Eight Hundred Ninety Five and Zero Paise Only ) will meet the ends of justice.





- 10 Accordingly, I compound the admitted contravention/s namely, the contravention/s of Para 9 (1) (A), Para 9 (1) (B) and Para 8 under Schedule 1 of 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. 2,081,895 (Rupees Twenty Lakh Eighty One Thousand Eight Hundred Ninety Five and Zero Paise Only ) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Mumbai Regional Office, Main Building, 3rd floor, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 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 above-mentioned period, Rule 10 of the Foreign Exchange (Compounding Proceedings) Rules, 2000 dated May 3, 2000 shall apply.
- 11 The above order is passed only in respect of contraventions of Para 9 (1) (A), Para 9 (1) (B) and Para 8 under Schedule 1 of Notification No. FEMA 20/2000-RB and does not restrict the right of any other authority to proceed against the Company for any other violations/contraventions noticed at any point of time.
- 12 The application is disposed of accordingly.  
Dated: March 27, 2019

**Compounding Authority**

**(J.K. Pandey)**  
**Chief General Manager**