



In the

**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
Secretariat Road  
Saifabad, Hyderabad 500 004

Present

Shri P Kalyan Chakravarthy  
Assistant General Manager

Date: March 27, 2019  
C.A. HYD 388

In the matter of

M/s Com Pak Plus India Private Limited  
Flat No 203, Plot No. 11-12  
S.B. Residency, Harivillu Enclave  
Secunderabad, Telangana-500055

**(Applicant)**

In exercise of the powers conferred under Section 15 (1) of Foreign Exchange Management Act, 1999 and the Regulations/ Rules/ Notifications/ Orders made there under, I pass the following

**Order**

The applicant has filed the compounding application dated November 5, 2018 received on December 26, 2018 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 foreign inward remittances and (ii) delay in submission of Form FC-GPR to Reserve Bank of India after issue of shares towards subscription to equity (iii) delay in refund of share application money to the foreign investor beyond 180 days from the date receipt of foreign inward remittance in terms of Paragraph 9(1)(A), Paragraph 9(1)(B) and Paragraph 8 respectively of Schedule 1 to Foreign



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Exchange Management Regulations, 2000 notified vide Notification No. FEMA.20/2000-RB dated May 03, 2000 (hereinafter referred to as Notification No. FEMA 20/2000-RB) as then applicable.

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

- a) The applicant is a resident company incorporated as Private Limited Company under the Companies Act, 2013 on 01.09.2017(CIN: U34200TG2017PTC119238). The company is engaged in remediation and other waste management activities.
- b) The applicant had received foreign inward remittances from the foreign investors as indicated below:

S.No	Name of Remitter	Amount (INR)	Date of Receipt	Date of reporting
1	Com-Pak Plus Pty Ltd	498993.02	24.10.2017	13.04.2018
2	Tibcorp International Pte Ltd	154570.50	20.12.2017	30.12.2017
3	Tibcorp International Pte Ltd	5429.50	*26.02.2018	15.05.2018
4	Com-Pak Plus Pty Ltd	2449636	19.03.2018	13.04.2018
5	Tibcorp International Pte Ltd	800000	*04.04.2018	15.05.2018
	<b>Total</b>	<b>39,08,629.02</b>		

**\*For SI Nos. 3 & 5, Late Submission Fee levied as the transactions are made after November 07, 2017.**

The applicant reported receipt of remittances towards share subscription amounting to ₹39,08,629.02 to the Regional Office of Reserve Bank of India out of which remittance amounting to ₹4,98,993.02 was reported with delay of 4 months 21 days approximately. 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.



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c) The company allotted equity shares and filed form FC-GPRs as indicated below:

S.No	Name of investor	No of Equity Shares allotted	Amount for which shares allotted (INR)	Date issue of Equity Shares /CCPS	Date of reporting to RBI
1	Com-Pak Plus Pty Ltd	49000	490000	01.11.2017	12.02.2018
2	Tibcorp International Pte Ltd	15457	154570	*21.12.2017	07.02.2019
3	Com-Pak Plus Pty Ltd	244963	2449630	*26.04.2018	20.08.2018
4	Tibcorp International Pte Ltd	542	5420		
5	Tibcorp International Pte Ltd	80000	800000	*01.06.2018	20.08.2018
	<b>Total</b>	<b>389962</b>	<b>3899620</b>		

**\*For SI Nos. 2 to 5, Late Submission Fee levied as the transactions are made after November 07, 2017.**

The applicant filed form FCGPRs for the allotment of shares amounting to ₹38,99,620/- as indicated above out of which allotment for ₹ 4,90,000 was reported with delay of 2 months 11 days approximately. 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 FCGPR along with documents prescribed therein within 30 days from the date of issue of shares to person resident outside India.



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d) The company has refunded the share application money to the foreign investor as indicated below:

S.No	Name of investor	Amount for which shares allotted (INR)	Date of receipt of remittance	Excess Share application money	Date of RBI approval for refund
1	Com-Pak Plus Pty Ltd	490000	24.10.2017	8993.02	03.10.2018

The applicant has refunded the excess remittance of an amount of ₹8993.02 with a delay of 5 months 9 days approximately after obtaining approval from RBI. Whereas in terms of Paragraph 8 of Schedule 1 to Notification No. FEMA 20/2000-RB, if the shares are not issued within 180 days from the date of receipt of the inward remittance, the amount of consideration so received shall be refunded to the person concerned, provided the Reserve Bank may on an application made to it and for sufficient reasons permit to refund the amount of consideration received towards issue of security.

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/1941/14.66.003/2018-19 dated March 15, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The representative of the company, Company Secretary Y. Eshwar Sharma appeared for personal hearing on March 25, 2019 during which he admitted the contraventions for which the compounding has been sought. During the personal hearing it was submitted that the delay was not wilful or with a malafide intention but was on account of lack of awareness on compliance requirements in the beginning



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of business operations. In view of the above, the applicant requested to take a lenient view 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 the submissions made in this context by the applicant during the personal hearing.

4. I have given my careful consideration to the documents on record. 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 for delay in reporting the receipt of consideration towards issue of shares amounting to ₹ **4,98,993.02/-** and the delay is 4 months 21 days approximately.

(b) Paragraph 9(1)(B) of Schedule 1 to Notification No. 20/2000-RB for delay in submission of Form FC-GPR to Reserve Bank of India after issue of shares to persons resident outside India and the contravention relates to an amount of ₹ **4,90,000/-** and the period of contravention is 2 months 11 days approximately.

(c) Paragraph 8 of Schedule 1 to Notification No. FEMA 20/2000-RB for delay in refund of share application money ₹ **8,993.02/-** and the delay is 5 months 9 days approximately.

5. It has been declared in the compounding application dated November 5, 2018 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 declaration dated November 29, 2018 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



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taken by any authority under the extant laws if the said declarations are subsequently discovered to be false and/or incorrect.

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 contravention is to be compounded and I consider that an amount of **₹21277 /- (Rupees Twenty One Thousand Two Hundred and Seventy Seven Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9(1)(A) and Paragraph 9(1)(B) and Paragraph 8 respectively of Schedule 1 to 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 **₹21277 /- (Rupees Twenty One Thousand Two Hundred and Seventy Seven Only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 1st Floor, Saifabad, Hyderabad - 500004 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Hyderabad 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 accordingly.

Dated this 27<sup>th</sup> day of March 2019.

(Sd/-)

(P Kalyan Chakravarthy)

Assistant General Manager