



In the

**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
11th floor, Central Office Building  
Shahid Bhagat Singh Road  
Mumbai - 400 001

Present

**Ajay Kumar Misra**  
**Chief General Manager**

Date: March 13, 2019  
CA No 4832 / 2018

In the matter of

**Maclines Trading India Private Limited**  
**666/G, Our Shadow, Calvaddo Street**  
**Navelim, Salcette, Goa - 403707**

**(Applicant)**

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

**Order**

The applicant has filed the application dated December 10, 2018 (received in the Reserve Bank on December 13, 2018), for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The applicant has sought to be compounded for (i) delay in reporting the 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 contravention of Paragraphs 9(1)(A) and 9(1)(B) of Schedule 1 of 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).



2. The relevant facts are as under: The applicant was incorporated as Maclines Trading India Private Limited, on July 19, 2013, under the Companies Act, 1956 (CIN: U52100GA2013PTC007277). It is engaged in the business of general trading in all types of goods on wholesale basis in India or elsewhere.

The applicant had received foreign inward remittance for issue of equity shares. However, there was a delay in reporting the receipt of inward remittances, in contravention of Paragraph 9(1)(A) of Schedule I of Notification No. FEMA 20/2000-RB. The details are provided in the table below:

S.No.	Name of the remitter	Amount of inward remittance (INR)	Date of receiving the inward remittance	Date of reporting of inward remittance
1	Maria Sylvia Fernandes	5,00,000	25.12.2014	19.03.2015
2		10,00,000	12.01.2015	17.03.2015
3		10,00,000	16.01.2015	04.03.2015
4		34,00,000	05.05.2015	30.06.2015
5		34,00,000	11.08.2015	03.03.2016
6		26,00,000	03.11.2015	02.03.2016
Total		1,19,00,000		

Further, there was delay in filing Forms FC-GPR, resulting in a contravention of Paragraph 9(1)(B) of Schedule I of Notification No. FEMA 20/2000-RB. The details are provided in the table below:

S.No.	Amount (INR) for which shares were issued	Date of allotment of shares	Date of filing of Form FC-GPR
1	15,00,000	21.02.2015	14.07.2015
2	10,00,000	21.02.2015	07.08.2015
3	34,00,000	22.06.2015	03.03.2016
4	34,00,000	03.10.2015	05.09.2017
5	10,00,000	30.11.2015	05.09.2017
Total	1,19,00,000		



3. According to Para 9(1)(A) of Schedule 1 of Notification No.FEMA.20/2000-RB dated May 03, 2000 as amended from time to time, “An Indian company issuing shares or convertible debentures in accordance with these Regulations shall submit through AD bank to the Regional Office concerned of the Reserve Bank under whose jurisdiction the Registered office of the company operates, not later than 30 days from the date of receipt of the amount of consideration received by Indian company for issue of shares and convertible debentures, a report in form specified in Annex C to this Schedule along with a copy/ies of Foreign Inward Remittance Certificate/s (FIRC), Know Your Customer (KYC) report on the non-resident investor and details of the Government approval, if any”.

Further, Para 9(1)(B) of Schedule 1 of Notification No.FEMA.20/2000-RB dated May 03, 2000 as amended from time to time states that “An Indian company issuing shares or convertible debentures in accordance with these Regulations shall submit through AD bank to the Regional Office concerned of the Reserve Bank under whose jurisdiction the Registered office of the company operates, not later than 30 days from the date of issue of shares, a report in the Form FC-GPR as specified by the Reserve Bank from time to time....”.

4. The applicant was given an opportunity for personal hearing vide letter No. FE.CO.CEFA/4907/15.20.67/2018-19 dated February 15, 2019 for further submission in person and/or producing documents, if any, in support of the application. The personal hearing was held on March 12, 2019 during which Shri Nagesh Sawant, Admin cum Account Assistant, Maclines Trading India Private Limited, represented the applicant. The representative of the applicant submitted that the applicant had inadvertently failed to comply with the FEMA regulations and requested that a lenient view may be taken in the matter.

It has also been declared in the compounding application dated December 10, 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. Further, it has been declared in the declaration furnished along 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 been 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.

The application is, therefore, being considered on the basis of the averments made in the application, the documents produced and submissions made during the personal hearing and thereafter.

5. I have given my careful consideration to the documents on record and submissions made by the representative of the applicant during the personal hearing. It was observed that the applicant has contravened the provisions of Paragraphs 9(1)(A) and 9(1)(B) of Schedule I of Notification No.FEMA.20/2000-RB. The amount of contravention is as follows:

(i) Para 9(1)(A) of Schedule 1 of Notification No.FEMA.20/2000-RB – Amount of contravention – Rs. 1,19,00,000/-; Period of contravention ranges from 16 days to 5 months 24 days approximately.

(ii) Para 9(1)(B) of Schedule 1 of Notification No.FEMA.20/2000-RB – Amount of contravention – Rs. 1,19,00,000/-; Period of contravention ranges from 3 months 22 days to 1 year 10 months approximately.

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. After considering the submissions made by the applicant and the entire facts and circumstances of the case I am persuaded to compound the contraventions, in line with the Guidance Note on Computation Matrix prescribed as part of Master Direction – Compounding of Contraventions, framed in accordance with the Foreign Exchange (Compounding Proceedings) Rules 2000. Accordingly, it stands to reason that payment of an amount of Rs. 35,375/- (Rupees thirty five thousand three hundred and seventy five only) will meet the ends of justice in the circumstances of this case.

7. Accordingly, I compound, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 the admitted contravention committed by the applicant namely, Paragraphs 9(1)(A) and 9(1)(B) of Schedule I of Notification No.FEMA.20/2000-RB, on payment of a sum of Rs. 35,375/- (Rupees thirty five thousand three hundred and seventy five only), which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 5th Floor, Amar Building, 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.

The application is disposed accordingly.

Dated this the thirteenth day of March, 2019

**Sd/-**  
**(Ajay Kumar Misra)**  
**Chief General Manager**