



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 22, 2019

CA No. MUM 811/2018

In the matter of
M/s Shendra Advisory Services Private Limited
Knowledge House, Shyam Nagar,
Jogeshwari Vikhroli Link Road, Jogeshwari (East),
Mumbai - 400060

(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 October 15, 2018, received at the Reserve Bank on December 14, 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 and as amended from time to time (hereinafter referred to as Notification No. FEMA 20/2000-RB:



- a) Para 9 (2) under Schedule I to Notification No FEMA 20/2000- RB: Delay in filing 'Annual Return on Foreign Liabilities and Assets' (FLA Returns) and/or Regulation 13.1 (3) of FEMA Notification No. 20(R)/2017-RB.

- 2 The relevant facts of the company M/s Shendra Advisory Services Pvt Ltd are as follows:

Date of Incorporation	November 11, 2005
Its main activities are:	Management consultancy activities

- 3 The company has not filed/delayed in filing the Annual Return on Foreign Liabilities and Assets (FLA return) to the Reserve Bank of India for the Financial Years 2013-14, 2014-15 and 2015-16 . Whereas, in terms of Paragraph 9(2) of Schedule 1 to Notification No. FEMA 20/2000-RB read with A. P. (DIR Series) Circular No. 29 dated February 02, 2017, all Indian companies which have received Foreign Direct Investment in the previous years including the current year, shall submit to the Reserve Bank of India, on or before the due date (as applicable) each year, a report titled 'Annual Return on Foreign Liabilities and Assets' as specified by the Reserve Bank from time to time.

- 4 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 Ms Khushboo Dhanuka, Company Secretary and Mr Rajiv V. Joshi, 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.

- 5 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(2) of Schedule 1 to Notification No. FEMA 20/2000-RB, due to non-filing/delay in filing of Annual Return on Foreign Liabilities and Assets for the Financial Years 2013-14, 2014-15 and 2015-16.



- 6 It has been declared in the compounding application dated October 15, 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 is under an enquiry/investigation/adjudication by DoE as on the date of application. Accordingly RBI, vide letter FED.MRO.CEFA/2313/76.01.122/2018-19 dated December 17, 2018 had sought comments from DoE to be furnished within 30 days as to whether it had objection, if any, in terms of the Proviso to Rule 8(2) of the Compounding Rules to compounding of contraventions sought to be compounded by the applicant. A reminder dated January 17, 2019 was issued to DoE in this regard giving another 7 days to respond, it has not furnished any response whatsoever. Accordingly, the above contraventions which are being compounded in this Order, is without prejudice to any action which may be taken by any authority under the extant laws.
- 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 contraventions are to be compounded and I consider that an amount of Rs.30,000 (Rupees Thirty Thousand and Zero Paise Only) will meet the ends of justice.
- 8 Accordingly, I compound the admitted contravention namely, the contravention of Para 9(2) 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. 30,000 (Rupees Thirty Thousand 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.
- 9 The above order is passed only in respect of contravention of Para 9(2) 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.
- 10 The application is disposed of accordingly.
dated: March 22, 2019

Compounding Authority

(J.K. Pandey)
Chief General Manager