



In the  
**Reserve Bank of India**  
Foreign Exchange Department  
Fort Glacis, No.16, Rajaji Salai  
Chennai 600 001

Present

**K Ravi**  
**Deputy General Manager**

Date: December 06, 2019  
**C.A.949/2016**

In the matter of

**M/s. Boge Compressors (India) Pvt Ltd.**  
Door No.216, Third Link Street, Industrial Estate  
Nehru Nagar, Old Mahabalipuram Road(OMR)  
Kottivakkam  
Chennai- 600 041

**(Applicant)**

In exercise of the powers 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 August 12, 2019 (received at Reserve Bank on August 20, 2019) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued there under. The contravention sought to be compounded is delay in allotment of shares



to the non-resident investor in terms of Paragraph 8 of Schedule I 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 then applicable (hereinafter referred to as Notification No. FEMA 20/2000-RB) read with A.P.(DIR Series) Circular No.20 dated December 14, 2007.

2. The relevant facts of the case are as follows: The applicant company was incorporated on May 31, 2010 under the provisions of the Companies Act, 1956 (Registration No. U29120TN2010FTC075919) and is engaged in business of manufacture of other pumps, compressors, taps and valves etc. The company has received foreign inward remittances amounting to ₹20,26,44,650.00 from M/s. Boge International GmbH, Germany towards subscription to shares and reported the same to the Reserve Bank. Against these remittances, the company allotted shares between 03.09.2010 and 06.01.2017 and filed the relevant FC-GPR with Reserve Bank.

3. The company allotted 290050 shares of ₹10/- each on April 08, 2011 against the remittance of ₹29,00,500.00 received on September 09, 2010 as detailed below:

Sl. No.	Date of receipt	Amount (₹)	Date of allotment
1	09.09.2010	29,00,500.00	08.04.2011

The company allotted shares with a delay of 31 days approximately beyond the stipulated time of 180 days without prior approval of Reserve Bank. Whereas in terms of paragraph 8 of Schedule I to Notification No. FEMA 20/2000-RB read with A.P.(DIR Series) Circular No.20 dated December 14, 2007 the shares have to be issued within 180 days from the date of receipt of the inward remittance.

4. The applicant was advised about the contravention vide memorandum dated February 19, 2016. The applicant has filed a compounding application dated August 12, 2019 wherein it has been declared in the compounding application 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 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/him/her thereafter. Accordingly, the above contravention which is being compounded in this Order is 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.

5. The applicant was given an opportunity for personal hearing vide Reserve Bank's mail dated December 03, 2019 for further submission in person and/or producing documents, if any, in support of the application. The applicant vide mail dated December 04, 2019 has requested us to dispose the case ex-parte. 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.

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

(a) Paragraph 8 of Schedule I to Notification No. FEMA 20/2000-RB read with A.P.(DIR Series) Circular No.20 dated December 14, 2007 due to delay in allotment of shares without prior approval of Reserve Bank as detailed in paragraph 3 above. The contravention relates to an amount of ₹29,00,500.00 with the duration of contravention being 31 days approximately.

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 **₹48,378/-** (Rupees forty eight thousand three hundred and seventy eight only) will meet the ends of justice.



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8. Accordingly, I compound the admitted contravention namely, the contravention of paragraph 8 of Schedule I to Notification No. FEMA 20/2000-RB read with A.P.(DIR Series) Circular No.20 dated December 14, 2007, by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of **₹48,378/-** (Rupees forty eight thousand three hundred and seventy eight only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Fort Glacis, No.16, Rajaji Salai, Chennai - 600 001 by a demand draft drawn in favour of the “Reserve Bank of India” and payable at Chennai 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 sixth day of December 2019.

**Sd/-**

**K Ravi**

**Deputy General Manager**