



In the

Reserve Bank of India
10/3/8, Nrupathunga Road
Bengaluru-560001

Present

Shri. Jose J Kattoor
Regional Director, Karnataka and
Chief General Manager, Bengaluru

Date: February 18, 2020
C.A. BGL 499/2019

In the matter of

M/s Camden Town Technologies Private Limited
Ground and 3rd Floor, Indiqube Celestia
No.19 & 20, Koramangala 1A Block
Koramangala, Bengaluru 560034

(Applicant)

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

ORDER

The applicant has filed a compounding application dated September 23, 2019, received at this Office of the Reserve Bank of India, Bengaluru, on September 23, 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 submission of form FC-GPR to the Reserve Bank, after issue of shares to a person resident outside India, in terms of Paragraph 9(1)(B) 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 03, 2000, and as amended from time to time (hereinafter referred to as Notification No. FEMA 20/2000-RB).



2. The relevant facts of the case are as follows: The applicant, M/s Camden Town Technologies Private Limited, was incorporated on November 24, 2016, under the Companies Act, 2013, as per the Certificate of Incorporation issued by the Deputy Registrar of Companies, Ministry of Corporate Affairs. The Company is engaged in the business of information service activities. The applicant had received funds towards share application money from the non-resident investor, namely, M/s Primrose Hill Ventures Pte Limited, Singapore, as shown below:

Table -1

Sr. No.	Date of Receipt	Total Amount (INR)	Date of Reporting to RBI / AD Bank
1	24-01-2017	1,08,640.00	01-02-2017
2	07-02-2017	1008,00,000.00	27-03-2017
3	23-06-2017	413,64,090.80	05-07-2017
4	18-08-2017	411,42,468.00	11-09-2017
5	19-10-2017	514,06,072.20	16-11-2017
6	21-12-2017	505,44,104.53	31-01-2018
7	07-02-2018	315,90,302.26	19-02-2018
8	07-03-2018	321,19,036.40	27-04-2018
9	19-04-2018	674,68,799.94	11-05-2018
10	06-06-2018	860,15,999.83	27-06-2018
11	08-08-2018	2038,17,600.20	27-08-2018
12	10-10-2018	2203,48,800.00	Not applicable, since, reporting of inward remittance in form ARF was discontinued from September 01, 2018
13	22-02-2019	2497,82,400.00	
14	26-04-2019	983,13,600.00	
15	08-05-2019	2500,51,200.00	
16	21-05-2019	3546,14,400.00	
17	22-05-2019	3498,03,640.55	
	Total	222,92,91,154.71	



3. The applicant company had allotted equity shares and filed form FC-GPRs with Reserve Bank/AD Bank as indicated below:

Table-2

Sl. No.	Date of Allotment	Number of equity shares/CCDs allotted	Amount (INR)	Date of reporting to RBI/AD Bank
1	31-01-2017	9999 Equity	99,990.00	01-03-2017
2	03-03-2017	1500 Equity	1008,00,000.00	27-06-2017
3	27-06-2017	615 CCDs	413,28,000.00	12-09-2017
4	18-08-2017	612 CCDs	411,26,400.00	21-11-2017
5	19-10-2017	764 CCDs	513,40,800.00	02-02-2018
6	17-02-2018	1222 Equity	821,18,400.00	17-03-2018
7	07-03-2018	477 Equity	320,54,400.00	26-03-2018
8	28-04-2018	1004 Equity	674,68,800.00	11-05-2018
9	08-06-2018	1280 Equity	860,16,000.00	27-06-2018
10	10-08-2018	3033 Equity	20,38,17,600.00	27-08-2018
11	23-10-2018	3279 Equity	22,03,48,800.00	17-01-2019
12	04-03-2019	3717 Equity	24,97,82,400.00	18-03-2019
13	06-05-2019	1463 Equity	9,83,13,600.00	03-06-2019
14	20-05-2019	3721 Equity	25,00,51,200.00	17-06-2019
15	27-05-2019	5277 Equity	35,46,14,400.00	25-06-2019
16	29-05-2019	5205 Equity	3497,76,000.00	26-06-2019
	Total	41177 – Equity; 1991 – CCDs	222,90,56,790.00	

The applicant filed the form FC-GPRs, on allotment of shares, with the Bengaluru Regional Office of the Reserve Bank of India / Authorized Dealer Bank, with a delay ranging from one month sixteen days to two months and twenty five days, beyond the prescribed period of 30 days, in respect of the allotments as indicated at serial numbers 2, 3, 4 and 5, in the Table – 2 above. Whereas, in terms of Paragraph 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-RB, dated May 3, 2000, an Indian company issuing shares in accordance with these



Regulations, has to submit to Reserve Bank of India, a report in Form FC-GPR, along with documents prescribed therein, within 30 days from the date of issue of shares to persons resident outside India.

In respect of the delayed reporting of form FCGPR indicated at serial number 11, in Table 2 above, the applicant company has paid the Late Submission Fee as per Regulation 13.1(2) of Notification No. FEMA 20(R)/2017-RB, dated November 07, 2017.

4. The applicant was given an opportunity for personal hearing, vide Reserve Bank's letter FE.BG.FID (CEFA) No.1881/22.10.588/2019-20 dated February 06, 2020, for further submission, in person and/or producing documents, if any, in support of the application. The applicant's authorized representative, Ms. Suman Bajoria, Practicing Company Secretary, who appeared for the personal hearing on February 14, 2020, admitted the contravention as stated in Paragraph 3 above, committed by the applicant, for which compounding has been sought. During the personal hearing, it was submitted that the delay was not willful or with malafide intention, but was mainly due to inadvertence, and the same would not be repeated. In view of the above, the representative 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 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 submission made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened the FEMA provision issued in terms of Paragraph 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-RB, due to delay in submission of form FC-GPR to the Reserve Bank/AD, after issue of shares to persons resident outside India as detailed in paragraph 3 above. The contravention relates to an amount of **₹23,45,95,200.00**, and the period of delay ranges from one month sixteen days to two months and twenty five days.



6. It has been declared in the compounding application dated September 23, 2019, 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 undertaking, furnished as part of 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 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.

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 contravention is to be compounded, and I consider that an amount of **₹68,500.00 (Rupees Sixty Eight Thousand Five Hundred only)**, will meet the ends of justice.

8. Accordingly, I compound the admitted contravention namely, contravention of Paragraph 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-RB, by the applicant, based on the facts discussed above, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of **₹68,500.00 (Rupees Sixty Eight Thousand Five Hundred only)**, which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 2nd Floor, 10/3/8, Nrupathunga Road, Bengaluru – 560001, by a demand draft drawn in favour of the “Reserve Bank of India”, payable at Bengaluru, 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 of accordingly.

Dated this, the Eighteenth day of February, 2020.

Sd/-

(Jose J Kattoor)
Regional Director, Karnataka and
Chief General Manager, Bengaluru