



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 R.K. Mahana**  
**General Manager**

**April 12, 2019**

**CA No. MUM 832/2019**

In the matter of  
**M/s Julong Office Automation Pvt Ltd**  
Flat 702-Building No. 1, Sector 54,56,58, NRI Complex,  
PH-I, Seawoods Estate Ltd, Nerul, Navi Mumbai,  
Thane 400 706

**(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 January 30, 2019, received at the Reserve Bank on February 01, 2019, 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 Regulations/ paras 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 FEMA 20):



- a) Para 9 (1) (B) of FEMA 20: Delay in filing Form FC GPR to Reserve Bank after issue of shares to person resident outside India
- b) Regulation 4 of FEMA 20: Taking on record by the applicant, the transfer of shares from a person resident outside India to a person resident in India or the transfer of shares from a person resident in India to a person resident outside India, without obtaining certified copies of form FC-TRS

2 Brief details of the applicant company are as follows:

<b>Date of Incorporation</b>	March 13, 2013
<b>Its main activities are:</b>	Wholesale of machinery, equipment and supplies including computer controlled machine tools and computer controlled sewing and knitting machines.

3 The company allotted equity shares/compulsorily convertible preference shares/compulsorily convertible debentures and filed FC-GPRs as indicated below:

<b>Contravention under Para 9(1)(B)</b>						
<small>(whereas, "Y" represents delay in number of years, "M" represents delay in number of months and "D" represents delay in number of days, LSF stands for : Late Submission Fees and FV stands for Face Value</small>						
<b>Sno/LSF</b>	<b>Date of allotment (DD-MM-YY)</b>	<b>Number of shares</b>	<b>FV+ premium (in INR)</b>	<b>Amount (FV*no of shares) (in INR)</b>	<b>Date of reporting (DD-MM-YY)</b>	<b>Para 9 (1) (B) delay</b>
1	20/09/15	4950	200	990,000	23/03/16	<b>0Y 5M 1D</b>
2	20/09/15	44550	200	8,910,000	07/04/16	<b>0Y 5M 16D</b>
<b>TOTAL</b>				<b>9,900,000</b>		

The applicant filed form FC-GPRs as indicated above with a delay ranging from 0Y 5M 1D to 0Y 5M 16D. Whereas, in terms of Paragraph 9(1) (B) of Schedule 1 to Notification No. FEMA 20, an Indian company issuing shares in accordance with these Regulations has to submit to RBI a report in Form FC-GPR along with documents prescribed therein within 30 days from the date of issue of shares to Non Resident.

4 Shares of the company were transferred by Non Resident to Resident and/or by Resident to Non Resident on dates indicated in the table below.



<b>Contravention under Regulation 4</b>					
<b>(whereas, "Y" represents delay in number of years, "M" represents delay in number of months and "D" represents delay in number of days, LSF stands for : Late Submission Fees</b>					
<b>Date of Inward Remittance</b> (DD-MM-YY)	<b>Date of transfer</b> (DD-MM-YY) <b>(2)</b>	<b>Remittance amount</b> (in INR)	<b>Date on which company took on record the transfer</b> (DD-MM-YY)	<b>Date of filing Form FCTRS</b> (DD-MM-YY)	<b>delay under Regulation 4</b>
30/03/15	4/4/2015	<b>100,000.00</b>	<b>31/03/16</b>	<b>06/07/17</b>	<b>1Y 3M 5D</b>
<b>TOTAL</b>		<b>100,000.00</b>			

The company took on record the transfer of shares without obtaining certified copies of Form FC-TRS from the AD bank. Whereas as per Regulation 4 of FEMA 20, an Indian entity shall not record in its books any transfer of security from a person resident outside India to a person Resident in India or vice versa without obtaining certified copies of form FCTRS. The contravention relates to amount of Rs. 100,000 (Rupees One Lakh and Zero Paise Only), with a delay of 1Y 3M 5D.

- 5 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 April 03, 2019. The applicant appeared for personal hearing on April 09, 2019, during which Ms Supriya Gokhale, Consultant, Mr Niteen Wani, employee of the company and Ms Afroz Khan, Consultant represented the applicant in the cabin of Shri R.K. Mahana, 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.
- 6 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) Para 9 (1) (B) of FEMA 20, due to the delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to persons resident outside India and the contravention relates to total amount of Rs.9,900,000 (Rupees Ninety Nine Lakh and Zero Paise Only) and with a delay ranging from minimum 0Y 5M 1D to maximum 0Y 5M 16D approximately.



- b) Regulation 4 of FEMA 20, for recording in its books a transfer of security from or to a person resident outside India to a person Resident in India or vice versa without obtaining certified copies of form FCTRS. The contravention relates to total amount of Rs 1,00,000/- (Rupees One Lakh Only) with a delay of 1Y 3M 5D
- 7 It has been declared in the compounding application dated January 30, 2019 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 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. 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.
- 8 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.25,333 (Rupees Twenty Five Thousand Three Hundred Thirty Three and Zero Paise Only) will meet the ends of justice.
- 9 Accordingly, I compound the admitted contravention/s namely, the contravention/s of Para 9 (1) (B) of FEMA 20 and Regulation 4 of FEMA 20, 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. 25,333 (Rupees Twenty Five Thousand Three Hundred Thirty Three 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.
- 10 The above order is passed only in respect of contraventions of Para 9 (1) (B) of FEMA 20 and Regulation 4 of FEMA 20 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.



- 11 The application is disposed of accordingly.  
dated: April 12, 2019

**Compounding Authority**

**(R.K. Mahana)**  
**General Manager**