



In the

**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
6, Sansad Marg  
New Delhi-110001

Present

**Anupam Sonal**  
**Chief General Manager**

Date: December 20, 2017  
C.A.NDL 261/2017

In the matter of

**Deep Emotions Publishing Private Limited**  
E-327, Ground Floor, Greater Kailash Part II, New Delhi 110048

**(Applicant)**

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

#### **Order**

The applicant has filed a compounding application dated June 21 2017 (received in Reserve Bank of India on October 23, 2017) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (hereinafter referred to as FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are those of (i) delay in reporting of inflow of funds received from a person resident outside India for allotment of shares in terms of Paragraph 9(1)(A) of 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 3rd May, 2000, as amended from time to time (hereinafter referred to as FEMA 20/2000- RB) and (ii) delay in submission of form FC-GPR after allotment of shares in terms of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB

2. The relevant facts of the case are as follows:



- a) The applicant company was incorporated under the Companies Act, 1956 on November 27, 1995 and allotted registration No. U74899DL1995PTC074185 by Registrar of Companies. The company is engaged in the business of printing, publishing or otherwise dealing in lyrics and music, whether of Indian origin or otherwise.
- b) The company had received a foreign inward remittance of Rs.2,87,02,343.22 on March 7, 2008 for issue of Compulsory Convertible Debentures (CCDs) and reported this inward remittance on April 17, 2014 with a delay of 6 years and 11 days, beyond the prescribed period in contravention of Paragraph 9(1)(A) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000. Whereas, in terms of Paragraph 9 (1) (A) of Schedule 1 to FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures in accordance with these Regulations should report to Reserve Bank of India, receipt of amount of consideration towards share subscription not later than 30 days from the date of receipt of the said amount.
- c) The company had allotted Compulsory Convertible Debentures (CCDs) of Rs.2,87,02,300.00 on April 4, 2008 and reported it in form FC-GPR on February 4, 2015 with a delay of 6 years and 9 months, beyond the prescribed period in contravention of Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000. Whereas, in terms of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, an Indian company issuing shares in accordance with these Regulations has to submit to Reserve Bank a report in Form FC-GPR along with documents prescribed therein, within 30 days from the date of issue of shares to a person resident outside India.

Thus, there are contraventions of Paragraph 9(1) (A) and 9(1) (B) of Schedule 1 to FEMA Notification No 20 /2000-RB dated May 3, 2000.

3. The applicant company was given an opportunity for personal hearing for further submission in person and/or by producing documents, if any, in support of the application. Sh. Amit Madhav, Chartered Accountant appeared for the personal hearing on December 19, 2017 on behalf of the applicant company. The representative of the applicant company admitted the contraventions committed by the company for which the company has sought compounding. He stated that due to



delay on the part of the company in obtaining the KYC report from AD bank led to these contraventions and as such requested for a lenient view in the matter. The application for compounding is, therefore, being considered on the basis of the averments made in the application as well as submissions made in this context by the applicant company during the personal hearing.

4. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened the following FEMA provisions:

(a) Paragraph 9 (1) (A) of Schedule 1 to FEMA 20/2000-RB due to delay in reporting the inflow of funds from a person resident outside India. The contravention relates to an amount of Rs.2,87,02,343.22 and the duration of contravention is of 6 years and 11 days.

(b) Paragraph 9 (1) (B) of Schedule 1 to FEMA 20/2000-RB due to delay in filing of form FC-GPR with RBI. The contravention relates to an amount of Rs.2,87,02,300.00 and duration of contravention is of 6 years and 9 months.

5. 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.6,61,500/- (Rupees Six lakhs sixty one thousand five hundred only)** will meet the ends of justice.

6. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9 (1)(A) and 9 (1)(B) of Schedule 1 to FEMA 20/2000-RB by the applicant on the facts detailed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of Rs.6,61,500/- (Rupees Six lakhs sixty one thousand five hundred only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 6, Sansad Marg, New Delhi-110001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at New Delhi 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 20th day of December, 2017.

Sd/-

**(Anupam Sonal)**  
**Chief General Manager**