



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
Secretariat Road
Saifabad, Hyderabad 500 004

Present

C. NageswaraRao
Deputy General Manager

Date: December 21, 2017
C.A. HYD 244

In the matter of

M/s.PerigordPremedia (India) Private Limited
Unit 10A, B, C, D 10th floor, Vaishnavi Cynosure
2-48/5/6, plot no.19, Gachibowli
Hyderabad – 500 032
Telangana

(Applicant)

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

Order

The applicant has filed the compounding application dated September 06, 2017 and received on September 12, 2017 for compounding of contraventions of the provision of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are (i) delay in reporting receipt of foreign inward remittances towards subscription to equity (ii) delay in submission of form FC-GPR to the Reserve Bank after issue of shares to a person resident outside India in terms of Paragraphs 9(1)(A) and 9(1)(B) respectively of Schedule 1 to Foreign Exchange Management (Transfer or Issue of Security by a



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Person Resident Outside India) Regulations, 2000 notified vide Notification No. FEMA.20/2000-RB dated 3rd May 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:

- a. The applicant is a resident company incorporated as a Private Limited Company under the Companies Act, 2013 on June 15, 2015 (CIN: U72300TG2015FTC099343). The company is engaged in the business of Providing software support and maintenance to the clients.
- b. The applicant had received foreign inward remittances from a single foreign investor towards advance for subscription to equity shares as indicated below:

Sl No	Name of Remitter	Total Amount (INR)	Date of Receipt	Date of Reporting
1	PerigordPremedia Ltd	102772	19.08.2015	31.08.2015
2	PerigordPremedia Ltd	1995010	26.02.2016	11.03.2016
3	PerigordPremedia Ltd	1433660	08.03.2016	11.04.2016
4	PerigordPremedia Ltd	1327236	30.05.2016	16.06.2016
5	PerigordPremedia Ltd	1410389	08.09.2016	20.09.2016
6	PerigordPremedia Ltd	4328535	17.11.2016	23.11.2016
7	PerigordPremedia Ltd	1997772	14.12.2016	15.03.2017
8	PerigordPremedia Ltd	1402910	21.12.2016	05.01.2017
9	PerigordPremedia Ltd	1741458	16.03.2017	24.03.2017
10	PerigordPremedia Ltd	1740524	15.05.2017	14.06.2017
11	PerigordPremedia Ltd	1792248	26.05.2017	19.06.2017
	Total	1,92,72,514/-		

The applicant reported receipt of remittances towards share subscription amounting to ₹1,92,72,514/-to the Regional Office of Reserve Bank of India on dates indicated



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as aboveout of which remittances amounting to ₹34,31,432/-were reported with a delay ranging from 4 days to 1month 30 daysapproximately. Whereas in terms of Paragraph 9 (1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures in accordance with these Regulations should report to the Reserve Bank of India as per the prescribed procedure not later than 30 days from the date of receipt of the amount of consideration.

c. The company allotted equity sharesand filed form FC-GPRs as indicated below:

Sl No	Name of investor	Date of allotment of shares	Number of Equity Shares allotted	Amount for which shares allotted (INR)	Date of reporting
1	PerigordPremedia Ltd	30.10.2015	10000	100000	28.12.2015
2	PerigordPremedia Ltd	28.03.2016	171433	3428660	21.04.2016
3	PerigordPremedia Ltd	18.07.2016	66361	1327220	28.07.2016
4	PerigordPremedia Ltd	22.09.2016	70519	1410380	15.03.2017
5	PerigordPremedia Ltd	05.01.2017	216426	4328520	27.01.2017
6	PerigordPremedia Ltd	10.02.2017	70145	1402900	02.03.2017
7	PerigordPremedia Ltd	10.02.2017	99888	1997760	25.04.2017
8	PerigordPremedia Ltd	03.05.2017	87072	1741440	15.05.2017
9	PerigordPremedia Ltd	10.07.2017	176638	3532760	26.07.2017
		Total	968482	1,92,69,640/-	



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The applicant filed form FC-GPRs for the allotment of shares amounting to ₹1,92,69,640/-as indicated above out of which shares amounting to ₹35,08,140/- were reported with delays ranging from 29 days to 4 months 22 days approximately beyond the prescribed limit. Whereas in terms of Paragraph 9 (1) (B) of Schedule 1 to Notification No. 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 person resident outside India.

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/1083/14.66.003/2017-18 dated December 18, 2017 for further submission in person and/or producing documents, if any, in support of the application.

(b). The applicant appeared for personal hearing on December 19, 2017 during which Shri. S.Srikanth, Practicing Company Secretary represented the applicant. The authorized representative of the applicant admitted the contraventions for which the compounding has been sought. During the personal hearing, it was submitted that the delay was due to their administrative delays but was not wilful or with malafide intention. In view of the foregoing, the representative of the applicant 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 the submissions made in this context by the applicant during the personal hearing.

4. I have given my careful consideration to the documents on record. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:-



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(a) Paragraph 9(1)(A) of Schedule 1 to Notification No. FEMA 20/2000-RB for delay in submission of Advance Reporting Form to Reserve Bank of India after receipt of inward remittance from a person resident outside India and the contravention relates to an amount of ₹34,31,432/- with delays ranging from 4 days to 1 month 30 days approximately.

(b) Paragraph 9 (1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB for delay in submission of Form FC-GPR to Reserve Bank of India after issue of equity sharesto persons resident outside India and the contravention relates to an amount of ₹35,08,140/- with delays ranging from of 29 days to 4 months 22 days approximately.

5. In terms of Section 13 of the FEMA, any person contravening any provision of the Act shall be liable to a penalty upto 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 Rs.22,180/-(Rupees Twenty Two Thousand One Hundred and Eighty Only) will meet the ends of justice.

6. Accordingly, I compound the admitted contraventions, namely, the contraventions Paragraph 9(1)(A) and Paragraph 9 (1) (B) of Schedule 1 to 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.22,180/- (Rupees Twenty two thousand one hundred and eighty only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 1st Floor, Saifabad, Hyderabad - 500004 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Hyderabad within a period of 15 days from the date of this order. In case of failure to deposit the compounded



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amount within the above mentioned period, Rule10 of the Foreign Exchange (Compounding Proceedings) Rules, 2000 dated May 3, 2000 shall apply.

The application is disposed accordingly.

Dated this 21st day of December 2017

Sd/-

(C. NageswaraRao)
Deputy General Manager