



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
Central Vista, Sector 17, P.B.No.2
Chandigarh-160017

Present

Sh. Nirmal Chand
Regional Director

Date: January 22, 2018
CA No CHA 16/2017

In the matter of

PAREXEL International Services India
2nd floor, Tower F, DLF Building
Chandigarh Technology Park
Chandigarh - 160 101

(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 there under, I pass the following

Order

The applicant has filled a compounding application dated December 19, 2017 (received at the Reserve Bank on December 19, 2017) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (The FEMA) and the regulations issued there under. The contraventions sought to be compounded pertain to delay in submission of FC-GPR to the Reserve Bank after issue of shares which are in contravention of Para 9(1) (B) of Schedule 1 to Foreign Exchange Management (Transfer or issue of Security by a person Resident Outside India) Regulation, 2000 notified vide Notification No. 20/2000RB dated May 3, 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 Company, PAREXEL International Services India Pvt. Ltd. is a private Limited company incorporated on December 26, 2014 under the companies Act, 2013. The applicant is engaged in Clinical research activities including testing and effectiveness of medications, devices , diagnostics products.

3. The applicant company received foreign inward remittances towards investment in equity shares from non-residents without any contraventions and issued shares against the said remittances and reported the same to RBI as under:

No of shares	FC-GPR Amt of shares	Date of issue of shares	Date of reporting to RBI	Delay in submission of FCGPR to RBI
10,000	1,00,000.00	13.04.2015	04.08.2016	449 days
1,55,99,993	1,55,99,99,300.00	16.04.2015	04.08.2016	446 days
25,378,233.00	58,36,99,359.00	13.04.2015	04.08.2016	449 days
	2,14,37,98,659.00			

The applicant reported the allotment of shares to Reserve Bank with delay ranging **from 446 to 449 days**. The delay in reporting to Reserve Bank of India in form FCGPR, beyond the prescribed period in respect of allotment of the above shares is in contravention of paragraph 9(1) (B) of Schedule 1 to FEMA Notification No.20/2000RB dated May 3, 2000,in terms of which an Indian company issuing shares in accordance with these regulations has to submit to Reserve Bank of India a report in Form FCGPR along with documents prescribed therein within 30 days from the date of issue of shares to a person resident outside India.

4. The applicant was given an opportunity for personal hearing vide letter No चण्डी/जी.सी.ई.एफ.एफ./डी.आई./574/03.01.425/2017-18 dated January 08, 2018 for further submission in person and/or producing documents, if any, in support of the application. The company did not approach for appointment of the personal hearing within the stipulated period of seven days from receipt of the letter dated January 08, 2018, which was delivered at the company's address on January 09, 2018. The application is, therefore, disposed off ex-parte and is considered on the basis of the averments made in the application, and documents produced.

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



- a. Paragraph 9 (1) (B) of schedule 1 to Notification No. FEMA 20/2000-RB due to delay in submission of Form FCGPR to Reserve Bank after issue of shares to persons resident outside India as detailed in paragraph 3 above. The contravention relates to an amount of **Rs. 2,14,37,98,659.00** with delay ranging **from 446 to 449 days days**.

6. In terms of Section 13 of 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 **Rs. 3,86,250.00 (Rupees Three Lac Eighty six Thousand Two Hundred Fifty only)** will meet the ends of justice.

7. Accordingly, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, I compound the admitted contraventions committed by the applicant namely, Para 9(1) (B) of schedule 1 to of Notification No.FEMA 20/2000RB dated May 3, 2000 read with AP(Dir Series) Circular No 73 dated June 8, 2007 on the facts discussed above, on payment of an amount of **Rs. 3,86,250.00 (Rupees Three Lac Eighty six Thousand Two Hundred Fifty only)** which shall be deposited by the applicant with the Reserve Bank of India ,Foreign Exchange Department, Central Vista, Sector 17, Chandigarh-160017 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at "Chandigarh" **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 22nd day of January 2018.

Sd/-

Nirmal Chand
Regional Director