



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

**S. V. Potphode**  
Assistant General Manager

**Date: April 17, 2018**

**C.A. No. 734/2017**

In the matter of

**Sanghvi Beauty & Technologies Private Limited**  
Sanghvi House  
105/2, Shivaji Nagar  
Pune- 411005

**(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 November 27, 2017 (received at the Reserve Bank of India on December 13, 2017) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contravention sought to be compounded is (i) 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) (B) of Schedule 1 to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India)



**FED, MRO**  
**Sanghvi Beauty & Technologies Privet Limited**  
**C.A. No.734/2017**

Regulations, 2000 notified vide Notification No. FEMA 20/2000-RB dated May 3, 2000 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 was originally incorporated on August 12, 2015, under the Companies Act, 2013, as Sanghvi Technologies Private Limited. The name of the company was changed to Sanghvi Beauty & Technologies Private Limited on January 31, 2017. Its main activities are to develop, promote, sell, mobile application(s), website(s), other technology platform(s) and using which create a marketplace of services in the field of beauty, wellness, fitness, hospitality, fashion, and other industries.

3. The company allotted equity shares/preference shares/convertible preference shares and filed FC-GPR as indicated below:

<b>Sr. No.</b>	<b>No. of shares</b>	<b>FV in INR</b>	<b>Premium in INR</b>	<b>Amount involved in INR</b>	<b>Date of allotment</b>	<b>Date of filing</b>
1	3514	10	0	35,140.00	14-11-2015	17-12-2015
2	100000	1000	0	10,00,00,000.00	25-11-2015	17-12-2015
3	1849	10	73975.938	13,68,00,000.00	04-04-2016	03-05-2016
4	340300	1000	0	34,03,00,000.00	16-03-2017	12-04-2017
				57,71,35,140.00		

The applicant filed form FC-GPR as indicated above with a delay of 03 days approximately, at serial No.1 above. 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.

5. The applicant was given an opportunity for personal hearing vide e-mail dated April 04, 2018, for further submission in person and/or producing documents, if any, in support of the application. The applicant appeared for the personal hearing on April 05, 2018, during which Ms Sneha Kadam, Company Secretary and



Mr. Ankit J Parekh, Consultant represented the applicant. The representatives of the applicant admitted the contravention for which compounding has been sought. During the personal hearing, it was submitted that the delay was inadvertent and unintentional. They requested that in view thereof, the matter may be viewed leniently. 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 submitted along with the application.

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) Paragraph 9 (1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in submission of Form FC-GPR to the Reserve Bank of India after issue of shares to persons resident outside India and the contravention relates to an amount of Rs.35,140.00 (Rupees Thirty Five Thousand One Hundred Forty only) and delay of 03 days approximately.

7. It has been declared in the compounding application dated November 27, 2017, 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 been declared in the declaration dated March 01, 2018, 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.10,080/- (Rupees Ten Thousand Eighty only) will meet the ends of justice.

9. Accordingly, I compound the admitted contravention namely, the contravention of paragraphs 9 (1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB by the applicant as stated above on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of Rs.10,080/- (Rupees Ten Thousand Eighty 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 Schedule 1 to Notification No. FEMA 20/2000-RB 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.

The application is disposed of accordingly.

Dated: April 17, 2018.

**Compounding Authority**

Sd/-

**(S V. Potphode)**  
Assistant General Manager



**FED, MRO**  
**Sanghvi Beauty & Technologies Privet Limited**  
**C.A. No.734/2017**