



In the

Reserve Bank of India
Foreign Exchange Department
Fort Glacis, No.16, Rajaji Salai
Chennai 600 001

Present

Dr. K Balu
Chief General Manager

Date : June 22, 2018
C.A.792/2017

In the matter of

M/s. Imprimatur Printing Services Pvt Ltd.,
No.12, Krishnan Street,
Govindan Road, West Mambalam,
Chennai-600 033

(Applicant)

In exercise of the powers 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 filed a compounding application dated April 26, 2018 (received at Reserve Bank on May 17, 2018) 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 are (i) delay in reporting of inflow of funds received from a person resident outside India for allotment of shares, and (ii) delay in submission of Form FC-GPR on allotment of shares with Reserve Bank,



in terms of Paragraph 9 (1) A and Paragraph 9 (1) B respectively, of Schedule I 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.

2. The relevant facts of the case are as follows: The applicant company was incorporated on September 08, 2014 under the provisions of the Companies Act, 1956 (Registration No. U74999TN2014PTC097247) and is engaged in business of other information technology and computer service activities n.e.c. The applicant received foreign inward remittances from i) Mr. Ravi Raman, Singapore ii) Mr. Prabhat K Mehta, USA iii) Mr. Ashish Nanda, Dubai iv) M/s Fort Kochi Holdings Ltd., Mauritius v) M/s VAMM Capital Ltd., UAE vi) M/s Prov Ventures Investments Pte Ltd., Singapore vii) M/s Letsventure Online Pte Ltd., Singapore viii) M/s Raksul International Pte Ltd., Singapore ix) M/s DeNA Co. Ltd., Japan towards subscription to equity shares and reported the same to the Reserve Bank as detailed below:

Sl. No.	Amount of Inward Remittance in Rs.	Date of receipt	Reported to RBI on
1	4,99,962.50	06.06.2015	06.07.2015
2	10,00,000.00	08.06.2015	27.06.2015
3	14,84,467.00	18.06.2015	27.06.2015
4	5,99,985.00	19.06.2015	31.03.2016
5	14,99,962.50	22.06.2015	27.06.2015
6	1,55,775.00	24.06.2015	07.07.2015
7	14,99,962.50	13.07.2015	20.07.2015
8	1,33,98,666.25	13.07.2016	02.08.2016
9	15,19,086.80*	26.07.2016	12.08.2016
10	1,50,75,708.75	01.08.2016	22.08.2016
11	1,31,64,201.42	10.08.2016	30.08.2016
12	2,34,464.83	26.08.2016	30.11.2016
13	1,26,01,566.90	19.12.2017	08.01.2018

The applicant reported receipt of remittances to the Reserve Bank on dates indicated above with delay ranging from two months four days to eight months 12 days approximately beyond the prescribed period of 30 days in respect of the remittances at Sl. Nos. 4 and 12. Whereas, in terms of paragraph 9 (1) A of Schedule I 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.

3. The company allotted equity shares and filed FC-GPRs as indicated below:

Sl. No	No. of shares allotted	Face Value (in Rs.)	Amount (INR)	Date of allotment of shares	Reported to RBI on
1	122	1	61,305.00	20.07.2015	20.07.2016
	12097	10	60,78,742.50		
2	12	1	6,030.00	20.07.2015	17.08.2016
	1179	10	5,92,447.50		
3	68	1	1,33,535.00	15.07.2016	29.08.2016
	6755	30	1,32,65,131.25		
4	85	1	1,66,918.75	16.08.2016	01.09.2016
	8356	30	1,64,09,095.00		
5	68	1	1,33,535.00	05.09.2016	16.01.2017
	6755	30	1,32,65,131.25		
6	64	1	1,25,680.00	16.02.2018	07.03.2018
	6353	10	1,24,75,703.75		

The applicant filed form FC-GPRs as indicated above with delay ranging from 14 days to 11 months 27 days approximately beyond the prescribed limit in respect of the allotment at Sl. Nos.1,2,3 and 5. Whereas in terms of paragraph 9 (1) B of Schedule I 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.

4. The applicant was advised about the contraventions vide memorandum dated December 05, 2017. The applicant has filed a compounding application dated April 26, 2018 wherein it has been declared in the compounding application that the particulars given by the applicant in the application are true and correct to the best of their knowledge and belief. It has been declared in the declaration dated April 26, 2018 furnished with 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. 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.

5. The applicant was given an opportunity for personal hearing vide Reserve Bank's mail dated June 18, 2018 for further submission in person and/or producing additional documents, if any, in support of the application. The applicant appeared for the personal hearing on June 21, 2018 during which Shri Krishna Sharan Mishra, Partner, M/s KSM Associates represented the applicant. The authorized representative of the applicant admitted the contravention as stated in para 2 and 3 above committed by the applicant for which compounding has been sought. During the personal hearing, it was submitted that the delays were unintentional. In view of the above, they requested Reserve Bank to take 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 other documents and submissions made in this context by the applicant during the personal hearing.

6. I have given my careful consideration to the documents on record and submissions made by the applicant in the compounding application and during the personal hearing. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:

- (a) Paragraph 9 (1) A of Schedule 1 to Notification No. FEMA 20/2000-RB due to delay in reporting of receipt of inward remittances towards subscription of equity shares as detailed in paragraph 2 above. The contravention relates to an amount of ₹ 8,34,449.83 with the duration of contravention ranging from two months four days to eight months 12 days approximately; and



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(b) Paragraph 9 (1) B of Schedule 1 to Notification No. FEMA 20/2000-RB due to 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 an amount of ₹ 3,35,35,857.50 with the duration of contravention ranging from 14 days to 11 months 27 days approximately.

7. 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 ₹ 48,940/- (Rupees forty eight thousand nine hundred and forty only) will meet the ends of justice.

8. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9 (1) A and 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 ₹ 48,940/- (Rupees forty eight thousand nine hundred and forty only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Fort Glacis, No.16, Rajaji Salai, Chennai - 600 001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Chennai 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 Twenty second day of June, 2018.

Sd/-



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Dr. K Balu
Chief General Manager