



**In the  
Reserve Bank of India  
Foreign Exchange Department  
7th Floor, Gera's Imperium-II,  
EDC Complex, Patto Plaza,  
Panaji, Goa - 403 001**

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Present

**Ms. Meenakshi Gad  
Deputy General Manager**

**Date: August 03, 2018**

**CA No: PAN 13**

In the matter of

**M/s Manitech Marine and Industrial Engineering Pvt Ltd  
Regd. Office: House No. 12/125, 2<sup>nd</sup> Floor,  
Attaide Apartments, M. G. Road,  
Panaji, Goa – 403 001  
(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 July 06, 2018 for compounding of contravention 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 receipt of foreign inward remittance towards subscription to equity and (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 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 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:

- i) The applicant is a company registered as a private limited company, incorporated on September 08, 2016 under the Companies Act, 1956 (CIN: U74999GA2016PTC012991) with the main object of undertaking the business of industrial and marine engineering.
- ii) The applicant received foreign inward remittances towards issue of equity shares as detailed below:

Sr. No.	Name of Remitter	Amount (Rs.)	Date of Receipt	Reported to RBI on
1	Jan Sigurd Aukland	20,277.38	15-Dec-2016	17-Jan-2017
2	Biswarup and Anindita Ghosh	3,92,885.78	21-Dec-2016	
3	Jan Sigurd Aukland	11,72,698.10	27-Dec-2016	07-Jan-2017
4	Geir Gustav Leegaard Tvedt	11,64,975.00	01-Mar-2017	28-Mar-2017
	<b>TOTAL</b>	<b>27,50,836.26</b>		

The applicant reported receipt of remittances to the Foreign Exchange Department, Panaji Office of the Reserve Bank on the dates indicated above with delay of 2 days in respect of remittance received on one occasion, beyond the stipulated time of 30 days. 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.

iii) The applicant allotted equity shares and filed FC-GPRs as indicated below:

Sr. No.	Name of Investor	No. of Shares	Amount (Rs.)	Date of Allotment	Reported to RBI on
1	Jan Sigurd Aukland	200	20,000.00	08-Sep-2016	31-Jan-2018
2	Biswarup and Anindita Ghosh	3,928	3,92,800.00	27-Jan-2017	24-Nov-2017
	Jan Sigurd Aukland	11,729	11,72,900.00		
3	Geir Gustav Leegaard Tvedt	11,649	11,64,900.00	22-Aug-2017	02-Dec-2017
	<b>Total</b>	<b>27,506</b>	<b>27,50,600.00</b>		

The applicant filed Form FC-GPR in respect of shares allotted with delays ranging from 2 months 10 days to 1 year 3 months 22 days approximately on three occasions, beyond the stipulated time of 30 days. 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 FCGPR along with documents prescribed therein within 30 days from the date of issue of shares to a person resident outside India.

3. The applicant was given an opportunity for personal hearing vide Reserve Bank's letter no. PNJ.FED: 61 / 02.09.001 / 2017-18 dated July 24, 2018 for further submission in person and/or producing documents, if any, in support of the application. Ms. Sushma Bandekar and Ms. Rakhee Malkarnekar, the representatives from the company appeared for the personal hearing on July 30, 2018. They admitted the contraventions committed by the company for which compounding has been sought. They further stated that there has been no unfair gain to any party due to above contravention. In view of the above foregoing, the representatives requested that 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 submissions made in this context during the personal hearing.

4. It has been declared in the compounding application dated July 06, 2018 that the particulars given by the applicant in the application are true and correct to the best of their knowledge and belief and also declared the applicant was not under any enquiry/investigation/adjudication by any agency such as Enforcement Directorate, CBI, etc. as on the date of the application. The applicant has also given an undertaking to inform RBI of initiation of any 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. I have given my careful consideration to the documents on record and in the compounding application. Accordingly, I hold that the applicant has contravened the FEMA provisions issued in terms of:

- (i) Paragraph 9(1)(A) of Schedule I to Notification No. FEMA 20/2000-RB due to the delay in reporting of receipt of foreign inward remittance towards subscription to equity as detailed in paragraph 2 above. The contravention relates to an amount of **Rs.20,277.38** and the duration of delay is 2 days.
- (ii) Paragraph 9(1)(B) of Schedule I 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 **Rs.27,50,600.00** and the duration of delays ranging from 2 months 10 days to 1 year 3 months 22 days approximately.



6. 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.13,912/- (Rupees Thirteen Thousand Nine Hundred Twelve only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9(1)(A) and 9(1)(B) of Schedule I 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.13,912/- (Rupees Thirteen Thousand Nine Hundred Twelve only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Gera Imperium II, 7<sup>th</sup> Floor, EDC, Patta Plaza, Panaji, Goa 403 001 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.

The application is disposed of accordingly.

Dated this the third day of August, 2018

Sd/-

**(Meenakshi Gad)**  
**Deputy General Manager**