



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
6, Sansad Marg
New Delhi-110001

Present

E. E. Karthak
Regional Director

Date: September 11, 2018
C.A.NDL 294/2018

In the matter of

Prinpia Components Private Limited
D-31, Sector 80, Phase – II, Noida – 201301, Uttar Pradesh

(Applicant)

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

Order

The applicant has filed a compounding application dated July 19, 2018 received at Reserve Bank of India, New Delhi on July 20, 2018 for compounding of contravention of the provisions of the Foreign Exchange Management Act, 1999 (hereinafter referred to as FEMA) and the regulations issued thereunder. The contravention sought to be compounded is of delay in submission of Form FC-GPR after allotment of shares in terms of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB dated May 3, 2000, as then applicable.

2. The relevant facts of the case are as follows:

- a) The applicant company was incorporated on November 04, 2016 and allotted registration number U74999UP2016PTCC087525. The company is engaged in the business of other service activities related to printing n.e.c.



b) The company has allotted 1886918 shares on four occasions for Rs.1,88,69,180/- against four inward remittances and reported them with a delay ranging from 22 days to 2 months 28 days (as detailed hereunder) beyond the prescribed period in contravention of Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000, as then applicable.

Sr. No.	Date of allotment	No. of shares allotted	Amount in Rs.	Date of reporting of FCGPR	Delay in reporting
1.	20.02.2017	458306	45,83,060.00	19.06.2017	2 months 28 days
2.	20.02.2017	687127	68,71,270.00	19.06.2017	2 months 28 days
3.	29.03.2017	460200	46,02,000.00	19.06.2017	1 months 22 days
4.	29.04.2017	281285	28,12,850.00	20.06.2017	0 months 22 days
		1886918	1,88,69,180.00		

Whereas, in terms of Paragraph 9(1)(B) of Schedule 1 to 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 a person resident outside India. Thus, there is a contravention of Paragraph 9(1)(B) of Schedule 1 to FEMA Notification No 20 /2000-RB dated May 3, 2000, as then applicable.

3. The applicant company was given an opportunity for personal hearing for further submission in person and/or by producing documents, if any, in support of the application. Ms Mamta Singh, Assistant Manager, representative of the applicant company appeared for the personal hearing on September 10, 2018 on behalf of the company. The representative of the applicant company admitted the contravention committed by the company for which the company has sought compounding. She stated that the delay in reporting of FCGPR was due to administrative lapses as the company was new and management was busy in clearing the initial hurdles in setting up of the company. She further stated that delay was without any malafide or wilful intention on their part and she requested for a lenient view in the matter. The



application for compounding is, therefore, being considered on the basis of documents on record admitting the contraventions.

4. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened the following FEMA provision:

Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, as then applicable, due to delay in filing of Form FC-GPR with RBI. The contravention relates to an amount of Rs.1,88,69,180.00 and the delay ranges from 22 days to 2 months 28 days.

5. It has been declared in the compounding application dated July 19, 2018 that the particulars given by the applicant in the application are true and correct to the best of its knowledge and belief. It has been declared in the declaration dated July 19, 2018 furnished by Director of the company 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 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 contravention which is being compounded in this Order is 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.

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.14,890/- (Rupees Fourteen thousand Eight hundred and Ninety only)** will meet the ends of justice.



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7. Accordingly, I compound the admitted contravention of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000- RB, as then applicable, by the applicant on the facts detailed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of **Rs. 14,890/- (Rupees Fourteen thousand Eight hundred and Ninety only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 6, Sansad Marg, New Delhi-110001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at New Delhi 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 accordingly.

Dated this the 11th day of September 2018.

Sd/-

(E. E. Karthak)
Regional Director