



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. Prabhakar
General Manager

Date: September 18, 2018

C.A. No. 769/2018

In the matter of

Central Investigation & Security Services Limited
002, Parasrampur Tower 6
Near Millat Nagar,
Oshiwara, Andheri West
Mumbai- 400 053

(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 May 02, 2018 (received at the Reserve Bank of India on May 02, 2018) 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 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) 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 as Central Investigation and Security Services Private Limited, on March 29, 1985, under the Companies Act, 1956. The name of the company was changed to Central Investigation and Security Services Limited on July 25, 2000. Its main activities are (i) to carry on in India or abroad profession of rendering security and detection services and consultancy services in electronic securities, which includes watch & ward, custodian under covers, investigation, intelligence services, escorts, armed escorts, surveillance, personnel selection and other allied services. (ii) To manufacture, trade, sell, lend, hire, electronic security and detective devices, gadgets, enter into the agreement with foreign collaboration for joint venture. Technical know-how, representation, marketing their products in India etc. (iii) To undertake in India or abroad project planning, industrial finance and management consultancy.

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

Sr. No.	No. of shares	FV in INR	Premi um in INR	Amount involved in INR	Date of allotment	Date of filing	Delay
1	260000	10	0	26,00,000.00	30-11-2015	22-02-2018	2Y 1M 24D
2	286000	10	0	28,60,000.00	21-08-2017	08-03-2018	5M 16D
			Total	54,60,000.00			

The applicant filed form FC-GPR as indicated at serial No. 01 & 02 above with a delay ranging from 05 Month 16 Days to 02 Year 01 Months 24 Days, approximately. 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.

4. The applicant was given an opportunity for personal hearing vide e-mail dated August 29, 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 September 03, 2018, during which Shri Ashraf Bukhari, Finance General Manager, represented the applicant in the cabin of Shri S Prabhakar, General Manager, Mumbai Regional Office. The representatives of the applicant admitted the contraventions 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.

5. 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 provision 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 as detailed in para 3 above. The contravention relates to an amount of Rs.54,60,000.00 (Rupees Fifty-Four Lakh Sixty Thousand Only) and the delay ranging from 05 Month 16 Days to 02 Years 01 Month 24 Days, approximately.

6. It has been declared in the compounding application dated May 02, 2018, 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 further been stated in the declaration, which 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 contravention 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.

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 Rs.16,675/- (Rupees Sixteen Thousand Six Hundred Seventy Five Only) will meet the ends of justice.

8. Accordingly, I compound the admitted contravention namely, the contravention of paragraph 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.16,675/- (Rupees Sixteen Thousand Six Hundred Seventy Five 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.



FED, MRO, CEFA
Central Investigation & Security Services Limited
C.A. No. MUM769/2018

9. The above order is passed only in respect of contravention 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: September 18, 2018.

Compounding Authority

Sd/-
(S Prabhakar)
General Manager