



In the  
**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
11th floor, Central Office Building  
Fort, Mumbai - 400 001

Present

**Attah Omar Basheer**  
**General Manager**

Date: May 29, 2017  
C.A.4240 / 2016

In the matter of  
**Supreme Treon Private Limited**  
Supreme House, 5<sup>th</sup> Floor, Plot No.10,  
16<sup>th</sup> Road, Chembur, Mumbai 400071  
**(Applicant)**

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

### **Order**

The applicant has filed the application dated December 05, 2016 (received at the Reserve Bank on December 06, 2016) 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 delay in submission of Form ODI Part I and delay in submission of Annual Performance Reports (APRs) of the overseas entity thereby contravening the provisions of Regulation 6(2)(vi) and 15(iii) respectively of Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2000, notified vide Notification No. FEMA.120/2000-RB dated July 7, 2004 and as amended from time to time (hereinafter referred to as Notification No. FEMA.120/2000-RB).

2. The relevant facts of the case are as follows: The applicant company (formerly known as Supreme-Treves Private Limited) was incorporated at Mumbai under the Companies Act 1956 on November 5, 1996 with CIN: U34200MH1996



PTC103764. The name was changed to Supreme Treon Private Limited on July 15, 2016. The applicant is engaged in the business of manufacture and supply of automotive trim components such as moulded carpets, lateral trims, bonnet and roof liners for automobile industries in India and abroad. The applicant executed a memorandum of understanding on November 29 2007 with M/s Kotobukiya Feltol Co. Ltd. Thailand for creating a joint venture in Thailand. Supreme Treves (Thailand) Co. Ltd. (STTCL) was incorporated on December 3, 2007 and held by Thai nationals. On May 11, 2009 STTCL was converted into an 80:20 joint venture between existing shareholders and Supreme-Treves Private Limited, India and share certificates issued. During the period 2007-2011 the applicant had exported goods worth USD 284,150.54 to STTCL and received payments worth USD 148,280.85. An amount of USD 128,205.00 (Rs.60,81,828/-) was retained by STTCL as contribution towards the equity capital. The balance amount of USD 7,664.69 was realized on March 22, 2016.

The applicant, neither reported the creation of joint venture in Thailand nor applied to the Reserve Bank of India for capitalization of export proceeds. The share certificates were received in April 2013 and the investment was reported to the Reserve Bank of India in March 2015 and UIN BYJAZ20150955 was issued. Subsequently, the APRs for the years 2009-2015 were filed with the Reserve Bank of India on January 6, 2016.

3. The applicant was given an opportunity for personal hearing vide our letter No.FE.CO.CEFA/11637/15.20.67/2016-17 dated May 23, 2017 for further submission in person and/or producing documents, if any, in support of the application. Shri Rajeev Midha, CFO and Ms. Shyamalene Siqueira, Legal Adviser appeared for the personal hearing on behalf of the applicant. They admitted to the contraventions and requested the RBI 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.

4. I hold that the applicant contravened the provisions of FEMA issued in terms of Regulation 6(2)(vi) of Notification 120/ 2004-RB. The amount of contravention is Rs.60,81,828/-approximately and the period of contravention is from May 2009 to March 2015. Further, the applicant has delayed in the submission of six APRs



pertaining to the period 2009-2015 and contravened the provisions of FEMA issued in terms of Regulation 15(iii) of Notification 120/ 2004-RB.

5. 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, after considering the submissions made by the applicant and the entire facts and circumstances of the case, I am persuaded to take a lenient view on the amount for which the contraventions are to be compounded and I consider that payment of an amount of Rs. 165,600/- (Rupees One hundred and sixty five thousand and six hundred only) will meet the ends of justice.

6. Accordingly, I compound the admitted contraventions namely, the contravention of the Regulations 6(2)(vi) and 15(iii) of Notification No. FEMA.120/2000-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.165,600/- (Rupees One hundred and sixty five thousand and six hundred only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 5<sup>th</sup> Floor, Amar Building, Fort, Mumbai – 400 001 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 accordingly.

Dated this the day of May 29, 2017

Sd/-

(Attah Omar Basheer)  
**General Manager**