



In the

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

Present

R Kesavan
Chief General Manager

Date : June 08, 2017
C.A.638/2016

In the matter of
M/s. Bontaz Automotive India Pvt Ltd.
C14/A1, Industrial Estate,
Maraimalainagar,
Kanchipuram-603209

(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 January 25, 2017 (received at Reserve Bank on February 01, 2017) 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



M/s. Bontaz Automotive India Pvt Ltd. – C.A.638/2016

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 February 29, 2012 under the provisions of the Companies Act, 1956 (Registration No. U29248TN2012PTC084707) and is engaged in Business of manufacture of automobile components. The company has been earlier compounded for contraventions of Paragraphs 9(1) A, 9 (1) B and 8 vide compounding order No. CA 3074/2013 dated October 18, 2013. Subsequent to the order, the applicant received foreign inward remittances from (i) M/s. Bontaz Centre SAS, France (ii) M/s Bontaz Groupe, France towards subscription to equity shares and reported the same to the Reserve Bank as below:

Sl. No.	Amount of Inward Remittance in Rs.	Date of receipt	Reported to RBI on
1	85,02,000	27.12.2013	13.02.2014
2	58,38,700	17.04.2014	14.05.2014
3	40,86,000	20.06.2014	05.07.2014
4	80,81,000	23.07.2014	08.08.2014
5	70,77,000	18.02.2015	07.03.2015
6	1,12,68,000	04.02.2016	14.03.2016

The applicant reported receipt of remittances to the Reserve Bank on dates indicated above with delay of 17 days approximately beyond the prescribed period of 30 days in respect of remittances recorded at Sr.Nos.1. 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.



M/s. Bontaz Automotive India Pvt Ltd. – C.A.638/2016

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.	170040	10	85,02,000	24.02.2014	30.06.2014
2.	11677	10	58,38,500	14.06.2014	16.02.2015
3.	24334	10	1,21,67,000	25.07.2014	16.02.2015
4.	14154	10	70,77,000	15.07.2015	13.08.2015
5.	22536	10	1,12,68,000	22.03.2016	02.05.2016

The applicant filed form FC-GPRs as indicated above with delay ranging from 11 days to seven months two days approximately beyond the prescribed limit in respect of the allotments at Sr. Nos.1 to 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 vide letter dated January 25, 2017 chose not to appear for any personal hearing for any further submission in person and/or producing documents, if any, in support of the application. The applicant, in the compounding application, had admitted the contraventions as stated in para 2 and 3 above for which compounding has been sought. It had been submitted that the delays were unintentional. 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.

5. I have given my careful consideration to the documents on record and submission made by the applicant in the compounding application. 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



M/s. Bontaz Automotive India Pvt Ltd. – C.A.638/2016

of ₹ 85,02,000/- with the duration of contravention being 17 days approximately; and

(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 ₹ 3,77,75,500/- with the duration of contravention ranging from 11 days to seven months two 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 consider that an amount of ₹ 84,840/- (Rupees eighty four thousand eight hundred and forty 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 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 ₹ 84,840/- (Rupees eighty four thousand eight 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 Eighth day of June, 2017.

Sd/-

R Kesavan



M/s. Bontaz Automotive India Pvt Ltd. – C.A.638/2016

Chief General Manager