



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 02, 2017
C.A.639/2016

In the matter of

M/s. Turbo Energy Pvt Ltd.
No.67, Chamiers Road,
R A Puram,
Chennai- 600 028

(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 30, 2017 (received at Reserve Bank on February 03, 2017) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued there under. The contravention sought to be compounded is delay in submission of Form FC-GPR on allotment of shares with Reserve Bank, in terms of



M/s. Turbo Energy Pvt Ltd. – C.A.639/2016

Paragraph 9 (1) B 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 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: The applicant company was incorporated on May 03, 1982 under the provisions of the Companies Act, 1956 (Registration No. U40107TN1982PTC009363) and is engaged in Business of manufacture of other attachments to motor vehicles.

3. The company has allotted shares on 11 occasions (including issue of Bonus Shares on three occasions). Nine of the Form FC GPRs filed after allotment of shares between 31.03.1989 and 03.05.2000 have been taken on record. The company allotted bonus shares to the existing non-resident shareholders and filed FC-GPR 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	652160	10	65,21,600	08.01.2007	17.04.2012
2	652160	10	65,21,600	19.09.2011	17.04.2012

The applicant filed the form FC-GPRs as indicated above with delay ranging from five months 28 days to five years two months nine days approximately beyond the prescribed limit. 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 was given an opportunity for personal hearing vide Reserve Bank's mail dated May 30, 2017 for further submission in person and/or producing documents, if any, in support of the application. The applicant appeared for the personal hearing on June 02, 2017 during which Shri V Ramachandran, General Manager, Finance, of the



M/s. Turbo Energy Pvt Ltd. – C.A.639/2016

Company represented the applicant. The authorized representative of the applicant admitted the contravention as stated in para 3 above committed by the applicant for which compounding has been sought. During the personal hearing, it was submitted that the delays were unintentional. In view of the above, they requested 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 as well as other documents and submissions made in this context by the applicant during the personal hearing.

5. I have given my careful consideration to the documents on record and submission made by the applicant in the compounding application and during the personal hearing. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:

(a) 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 ₹ 1,30,43,200/- with the duration of contravention ranging from five months 28 days to five years two months nine 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 ₹ 50,250/- (Rupees fifty thousand two hundred and fifty only) will meet the ends of justice.

7. 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 on the facts discussed above in terms of the Foreign Exchange (Compounding



M/s. Turbo Energy Pvt Ltd. – C.A.639/2016

Proceedings) Rules, 2000 on payment of an amount of ₹ 50,250/- (Rupees fifty thousand two hundred and fifty 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 Second day of June, 2017.

Sd/-

R Kesavan
Chief General Manager