



In the

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

Present

P Ramesh
Assistant General Manager

Date: July 20, 2017
C.A.653/2016

In the matter of

M/s.C.C.Jensen Filtration Pvt Ltd.,
No.207, SIDCO Industrial Estate,
Ambattur,
Chennai-600 098

(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 March 17, 2017 (received at Reserve Bank on March 17, 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 refund of excess



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inward remittance received to the non-resident investor in terms of Paragraph 8 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 November 30, 2012 under the provisions of the Companies Act, 1956 (Registration No. U74999TN2012FTC088724) and is engaged in Business of Manufacture of filtering and purifying machinery for liquids and gases. The applicant received two foreign inward remittances of ₹ 14,02,487/- on 08.04.2013 from M/s. C.C.Jensen Holdings A/S, Denmark and ₹42,07,526/- on 09.04.2013 from M/s.C.C.Jensen A/S, Denmark towards subscription to equity shares and reported the same to the Reserve Bank.

3. The company allotted 125000 shares of ₹10/- each to M/s C C Jensen Holdings A/S, Denmark and 375000 shares of ₹10/- each to M/s. C C Jensen A/S, Denmark on 20.09.2013 and filed the form FC-GPR with Reserve Bank. The company refunded the excess inward remittances to the non-resident investors with prior approval of Reserve Bank as under:

Sl. No.	Date of receipt	Amount (INR)	Date of Refund
1.	08.04.2013	1,52,487	11.04.2017
2.	09.04.2013	4,57,526	11.04.2017

The company refunded the amount to the non-resident investors with delay ranging from three years six months two days to three years six months three days beyond the prescribed period. Whereas in terms of paragraph 8 of Schedule I to Notification No. FEMA 20/2000-RB, read with AP (Dir Series) Circular No.20 dated December 14, 2007, the shares have to be issued/ amount refunded within 180 days from the date of receipt of the inward remittance.



4. The applicant vide letter dated June 13, 2017 chose not to appear for the personal hearing for further submission in person and/or producing documents, if any, in support of the application. The applicant, in the compounding application, had admitted the contravention as stated in para 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 8 of Schedule I to Notification No. FEMA 20/2000-RB due to delay in refund of excess inward remittance received with prior approval of Reserve Bank. The contravention relates to an amount of ₹ 6,10,013/- and the duration of contravention ranging from three years six months two days to three years six months three 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 ₹ 49,118/- (Rupees forty nine thousand one hundred and eighteen only) will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, the contravention of paragraph 8 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



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Proceedings) Rules, 2000 on payment of an amount of ₹ **49,118/-** (Rupees forty nine thousand one hundred and eighteen 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 Twentieth day of July, 2017.

Sd/-

P Ramesh
Assistant General Manager