



In the  
Reserve Bank of India  
Foreign Exchange Department  
Ahmedabad-380009

Present  
Jayant Kumar Dash  
Chief General Manager (The Regional Director)

August 16, 2017  
CEFA.CO.ID.7997 / C.A.No. AHM- 84 / 2017-18

In the matter of

M/s Getrag Transmissions India Pvt. Ltd.  
Survey/Block 299, 302 & 303/2, Revenue A/c No. 71, Kalana Village, Sanand Taluka,  
Ahmedabad - 382110  
Gujarat

**(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 there under, I pass the following order:

**Order**

The applicant has filed compounding application dated May 15, 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 beyond 30 days in reporting receipt of foreign inward remittance towards subscription to equity and (ii) delay



beyond 30 days 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)(A) and 9(1)(B) respectively, 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 3<sup>rd</sup> May 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 February 28, 2012 under the provisions of the Companies Act, 1956 (CIN: U74140GJ2012FTC069209). The company is engaged in manufacturing of automotive parts and other components. The applicant company has received total eight inflows amounting to ₹74,91,99,990/- from foreign investors under automatic route and reported the same to Reserve Bank of India as indicated below:

**Para 9(1) (A) – Schedule 1 of Notification No. FEMA 20/2000-RB dated May 3, 2000 – Contravention Detected:**

**(Table -1)**

Sr No	Remitter	Date of receipt	Amount of foreign inward remittance (₹)	Date of reporting to AD bank by company	Date of reporting by AD bank to RBI	*Days delay excluding prescribed time of 30 days*
1	Getrag Ford Transmissions GmBH	13/04/2012	99990	17/04/2012	17/05/2012	No delay
2	Getrag Ford Transmissions GmBH	23/04/2012	419863000	16/05/2012	16/05/2012	No delay
3	Getrag Ford Transmissions GmBH	18/07/2014	56952000	05/08/2014	05/08/2014	No delay
4	Getrag Ford Transmissions GmBH	28/08/2015	23079300	19/09/2015	24/09/2015	No delay
5	Getrag Ford Transmissions GmBH	13/10/2015	133194300	27/10/2015	25/11/2015	No delay



6	Getrag Ford Transmissions GmBH	15/10/2015	5700	27/10/2015	25/11/2015	No delay
7	Getrag Ford Transmissions GmBH	30/10/2015	5700	27/11/2015	30/11/2015	No delay
	<b>Sub Total A</b>		<b>633199990</b>			
8	Getrag Ford Transmissions GmBH	22/02/2016	116000000	06/06/2016	06/06/2016	75 days
	<b>Sub Total B</b>		<b>116000000</b>			
	<b>Grand Total (A+B)</b>		<b>749199990</b>			

\* The date for calculation of delay under 9(1)(A) taken as date of inflow reporting by Company to AD.

The applicant reported the receipt of eight inward remittances, amounting to ₹74,91,99,990/- to the Ahmedabad Regional Office of the Reserve Bank of India. Out of which, one inflow amounting to ₹11,60,00,000/- was reported with a delay of 75 days and seven inflows amounting to ₹63,31,99,990/- were reported within stipulated period. Whereas, in terms of paragraph 9(1) (A) of Schedule 1 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. Thus the company stands to contravene the provisions stipulated in paragraph 9(1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000.

3. The applicant allotted equity shares and filed FC-GPRs as stated below:

**Para 9(1) (B) – Schedule 1 of Notification No. FEMA 20/2000-RB dated May 3,**

**2000 –Contravention detected:**

**(Table -2)**

Sr. No.	Name of the Foreign Investor	No of shares issued	Amount of shares (₹)	Date of issue of shares	Date of submission of FC-GPR by company to AD	Date of submission of FC-GPR by AD bank to RBI	*Days delay excluding prescribed time of 30 days*
1	Getrag Ford	9999	99990	21/08/2012	10/09/2012	26/09/2012	No delay



	Transmissions GmBH						
2	Getrag Ford Transmissions GmBH	41986300	419863000	21/08/2012	10/09/2012	26/09/2012	No delay
3	Getrag Ford Transmissions GmBH	5695200	56952000	10/09/2014	01/10/2014	10/10/2014	No delay
	<b>Sub Total A</b>	<b>47691499</b>	<b>476914990</b>				
4	Getrag Ford Transmissions GmBH	2308500	23085000	25/10/2015	03/02/2016	03/02/2016	71 days delay
5	Getrag Ford Transmissions GmBH	13320000	133200000	10/12/2015	03/02/2016	03/02/2016	25 days delay
6	Getrag Ford Transmissions GmBH	11600000	116000000	18/04/2016	16/11/2016	17/11/2016	182 days delay
	<b>Sub Total B</b>	<b>27228500</b>	<b>272285000</b>				
	<b>Total</b>	<b>74919999</b>	<b>749199990</b>				

*\*For calculation of days of delay under 9(1)(B) date of reporting to AD bank is taken as reporting to RBI.*

4. As indicated in the table above, the applicant has filed six form FC-GPRs amounting to ₹74,91,99,990/-. Out of six forms three form FC-GPRs were filed within stipulated period and three forms amounting to ₹27,22,85,000/- with a delay ranging from 25 to 182 days beyond the prescribed timeline of 30 days. 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 the Reserve Bank of India a report in form FC-GPR, along with documents prescribed therein, within 30 days from the date of issue of shares to the overseas investor. Thus the company stands to contravene the provisions stipulated in Paragraph 9 (1) (B) of Schedule 1 to Notification No. FEMA 20/2000- RB dated May 3, 2000.

5. The applicant was given an opportunity for personal hearing vide our letter FE.AH.No.207/06.04.15 (C77)/2017-18 dated August 8, 2017 for further submission in person and /or producing documents, if any, in support of the application. Finance Manager Shri Vikas Garg represented the applicant for the personal hearing on August 11, 2017. They admitted to the contraventions for which compounding has been sought and stated that the non-compliance was not intentional and was an



inadvertent error on the part of the Company and they deeply regret for the delay caused and requested to take lenient view. They also stated that they are willing to accept any direction/ order of the Compounding authority in connection with their compounding application.

6. The representative of the applicant requested that in view of the foregoing, a lenient view may be taken in disposal of the application. 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 personal hearing and thereafter.

7. I have given my careful consideration to the documents on record and submission made by the applicant during the personal hearing and thereafter. 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 dated May 3, 2000:** Due to delay in reporting of receipt of foreign inward remittances towards shares as detailed in paragraph 2 above. The amount of contravention involved is ₹11,60,00,000/- with delay of approximately 75 days beyond the stipulated time of 30 days.

**B) Paragraph 9(1) (B) of Schedule 1 of FEMA Notification FEMA 20/2000 – RB dated May 3, 2000:** Due to delay in submission of form FC-GPR, after issue of shares to persons resident outside India as detailed in paragraph 3 above. The amount of contravention involved is ₹27,22,85,000/- and the delay is for approximately 25 to 182 days .

8. 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 therefore, I consider that amount of penalty of ₹1,15,500/- (Rupees One lakh fifteen thousand, five hundred only) will meet the ends of justice.

9. Accordingly, I compound the admitted contraventions, namely contravention of paragraph 9(1) (A) and 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 03, 2000, by the applicant, on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of ₹1,15,500/- (Rupees One lakh fifteen thousand, five hundred only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, La-Gajjar Chambers, Ashram Road, Ahmedabad –380 009 by a demand draft drawn in favour of the “Reserve Bank of India” and payable at Ahmedabad 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 the 16<sup>th</sup> day of August, 2017.

Sd/-

(Jayant Kumar Dash)  
Chief General Manager (Regional Director)