



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
6, Sansad Marg
New Delhi-110001

Present
K.K.Saraf
Regional Director

Date November 13, 2017
C.A.NDL 258/2017

In the matter of

Boeing International Corporation India Private Limited
3rd Floor, DLF Centre, Sansad Marg, New Delhi-110001

(Applicant)

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

Order

The applicant has filed a compounding application dated October 3, 2017 (received in Reserve Bank of India on October 4, 2017) for compounding of contravention of the provision of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contravention sought to be compounded is that of delay in submission of form FC-GPR to Reserve Bank after allotment of shares to a person resident outside India in terms of Paragraph 9(1) (B) 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 3rd May, 2000 as amended from time to time (hereinafter referred to as FEMA 20/2000- RB).

2. The relevant facts of the case are as follows:

- a) The applicant company was incorporated under the Companies Act, 1956 on December 08, 2003 in India and allotted registration No.U72900DL2003PTC -



123398 by Registrar of Companies. The company is engaged in the business of providing marketing and other support services in India with respect to the businesses carried on by the Boeing Group including providing other preparatory and auxiliary services in India to other Boeing Group companies.

- b) Contraventions of Paragraph 9(1)(A), 9(1)(B) and 8 of Schedule 1 to Notification No. FEMA 20/2000-RB had earlier been compounded vide Compounding Order CA 572/2009 dated December 11, 2009 by Reserve Bank of India.
- c) The company had allotted 5079289 Equity Shares amounting to Rs. 33,01,53,785/- on December 21, 2009 and had reported it in form FC-GPR on June 12, 2017 with a delay of 7 years 04 months and 23 days beyond the prescribed period in contravention of Paragraph 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000. Whereas, in terms of Paragraph 9(1)(B) of Schedule 1 to 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 a person resident outside India.

Thus, there is a contravention of Paragraph 9(1)(B) of Schedule 1 to FEMA Notification No 20 /2000-RB dated May 3, 2000.

3. The applicant was given an opportunity for personal hearing for further submission in person and/or by producing documents, if any, in support of the application. Ms. Neha Aggarwal and Sh. Sachin Batra, Consultants appeared for the personal hearing on November 10, 2017 on behalf of the company. The representatives of the applicant company admitted the contraventions committed, for which the company has sought compounding. They stated that the concerned person who was handling foreign exchange and financial matters left the organisation which led to the contravention and requested for 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 submissions made in this context by the applicant during the personal hearing.

4. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened Paragraph 9 (1) (B) of Schedule 1 to FEMA



20/2000-RB due to delay in filing of form FC-GPR with RBI. The contravention relates to an amount of Rs. 33,01,53,785.00. The duration of contravention is 7 years, 04 months and 23 days, beyond the prescribed period of 30 days.

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, 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 **Rs.11,28,000.00(Rupees Eleven lakh twenty eight thousand only)** will meet the ends of justice.

6. Accordingly, I compound the admitted contravention of Paragraph 9 (1)(B) of Schedule 1 to FEMA 20/2000- RB by the applicant on the facts detailed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of Rs. 11,28,000.00 (Rupees Eleven lakh twenty eight thousand only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 6, Sansad Marg, New Delhi-100001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at New Delhi 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 the 13th day of November, 2017.

Sd/-

(K.K.Saraf)
Regional Director