



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
Secretariat Road
Saifabad, Hyderabad 500 004

Present

Shri P Kalyan Chakravarthy
Assistant General Manager

Date: January 24, 2019
C.A. HYD 384

In the matter of

M/s Bomotix Private Limited
34, Lilac Tower,
Serene County, Telecom Nagar,
Gachibowli, Hyderabad-500032

(Applicant)

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

Order

The applicant has filed the compounding application dated December 11, 2018 received on December 19, 2018 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are (i) delay in reporting receipt of foreign inward remittances and (ii) delay in submission of Form FC-GPR to Reserve Bank of India after issue of shares towards subscription to equity in terms of Paragraph 9(1)(A) and Paragraph 9(1)(B) respectively of Schedule 1 to Foreign Exchange Management Regulations, 2000 notified vide Notification No.



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FEMA.20/2000-RB dated May 03, 2000 (hereinafter referred to as Notification No. FEMA 20/2000-RB) as then applicable.

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

- a) The applicant is a resident company incorporated as Private Limited Company under the Companies Act, 2013 on 24.11.2016 (CIN No: U74999TG2016PTC113100). The company is engaged in the business of research and development on software which analyse the human body motion.
- b) The applicant had received foreign inward remittances from a single foreign investor as indicated below:

Sl. No	Name of the Remitter	Amount (INR)	Date of Receipt	Date of reporting
1	Vinod Empranthiri	128600	27.06.2017	11.08.2017
2	Vinod Empranthiri	64400	26.05.2017	11.08.2017
3	Vinod Empranthiri	95700	26.04.2017	11.08.2017
4	Vinod Empranthiri	95805	29.08.2017	21.09.2017
5	Vinod Empranthiri	195630	23.03.2017	11.08.2017
6	Vinod Empranthiri	134180	07.02.2017	10.08.2017
	Total	7,14,315		

The applicant reported receipt of remittances towards share subscription amounting to ₹ 7,14,315/- to the Regional Office of Reserve Bank of India out of which remittance amounting to ₹ 6,18,510/- were reported with delays ranging from 15 days to 5 months 1 day approximately as indicated above. 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.

- c) The company allotted equity shares and filed form FC-GPRs as indicated below:



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Sl. No	Name of the Investor	Date of allotment	No of Equity Shares/ CCPS allotted	Amount for which shares allotted (INR)	Date of reporting
1	Vinod Empranthiri	07.04.2017	23081	230810	28.02.2018
2	Vinod Empranthiri	07.04.2017	9900	99000	21.08.2017
3	Vinod Empranthiri	28.06.2017	28870	288700	01.03.2018
4	Vinod Empranthiri	25.10.2017	9580	95800	01.03.2018
	Total		71431	7,14,310	

The applicant filed form FCGPRs for the allotment of shares amounting to ₹ **7,14,310/-** as indicated above and the same were reported with delays ranging from 3 months 5 days to 9 months 21 days approximately beyond the prescribed limit. 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 Reserve Bank a report in form FCGPR along with documents prescribed therein within 30 days from the date of issue of shares to person resident outside India.

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/1448/14.66.003/2018-19 dated January 21, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant appeared for personal hearing on January 23, 2019 during which Shri Deepak Upendra, Director of the company admitted the contraventions for which the compounding has been sought. During the personal hearing it was submitted that the delay was not wilful or with a malafide intention but was on account of lack of awareness on compliance requirements in the beginning and delay in obtaining FIRC's. In view of the above, the applicant requested to take a lenient view in disposal of the application. The application for compounding is, therefore, being considered on the basis of the averments made in the application as



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well the submissions made in this context by the applicant during the personal hearing.

4. I have given my careful consideration to the documents on record. 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 for delay in reporting the receipt of consideration towards issue of shares amounting to ₹ 6,18,510/- and the delay ranges from 15 days to 5 months 1 day approximately.

(b) Paragraph 9(1)(B) of Schedule 1 to Notification No. 20/2000-RB for delay in submission of Form FC-GPR to Reserve Bank of India after issue of shares to persons resident outside India and the contravention relates to an amount of ₹ 7,14,310/- and the period of contravention ranges from 3 months 5 days to 9 months 21 days approximately.

5. It has been declared in the compounding application dated December 11, 2018 that the particulars given by the applicant in the application are true and correct to the best of their knowledge and belief. It has been declared in the declaration dated December 11, 2018 furnished with the compounding application that the applicant was not under any enquiry/investigation/adjudication by any agency as on the date of the application and has, in this regard, not informed of initiation of any such enquiry/investigation/ adjudication proceedings against it thereafter. Accordingly, the above contraventions which are being compounded in this Order are subject to the veracity of the above declarations made by the applicant and this order is without prejudice to any other action which may be taken by any authority under the extant laws if the said declarations are subsequently discovered to be false and/or incorrect.

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



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circumstances of the case as stated in the foregoing paragraphs, I am persuaded to take a lenient view on the amount for which the contravention is to be compounded and I consider that an amount of **₹ 23,490/- (Rupees Twenty Three Thousand Four Hundred Ninety Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9(1)(A) and Paragraph 9(1)(B) respectively of Schedule 1 to 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 **₹ 23,490/- (Rupees Twenty Three Thousand Four Hundred Ninety Only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 1st Floor, Saifabad, Hyderabad - 500004 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Hyderabad 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 accordingly.

Dated this 24th day of January 2019.

Sd/-

(P Kalyan Chakravarthy)
Assistant General Manager