



In the  
**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
3<sup>rd</sup> Floor, Main Building  
Ram Bagh Circle, Tonk Road  
Jaipur-302 004

Present

**Shri. Arun Kumar Singh**  
**Regional Director for Rajasthan and**  
**Chief General Manager, Jaipur**

Date: October 29, 2019

C.A. JAI 22/2019

In the matter of

**M/s Metacube Software Private Limited**  
SP-6, Phase IV, EPIP  
Sitapura Industrial Area  
Jaipur, Rajasthan- 302022

**(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 August 14, 2019 (received at Reserve Bank of India on August 19, 2019) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 [hereinafter referred to as FEMA] and the regulations issued thereunder. The contraventions sought to be compounded are (i) delay in reporting of Annual Return on Foreign Liabilities and Assets return (hereinafter referred to as FLA return) beyond the prescribed period, in terms of paragraph 9(2) 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 May 03, 2000, as then applicable (hereinafter referred to as FEMA 20), and (ii) delay in reporting of FLA return beyond the prescribed period, in terms of regulation 13.1(3) of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 notified vide Notification No. FEMA 20(R)/2017-RB dated November 07, 2017 [Hereinafter referred to as FEMA 20(R)], as amended from time to time.



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

a) The applicant was incorporated on April 30, 2004 under the provisions of the Companies Act, 1956 (Registration Number U72200RJ2004PTC019247) and is engaged in Computer programming, consultancy and related activities n.e.c.

b) The applicant delayed in filing the FLA Return to the Reserve Bank of India for the Financial Years 2016-17 and 2017-18. Whereas, in terms of Para 9(2) of Schedule-1 to FEMA 20 and Regulation 13.1(3) of FEMA 20(R), all Indian companies which have received Foreign Direct Investment and/ or made Overseas Investments in previous year(s) including the current year, shall submit to the Reserve Bank of India, on or before the due date (as applicable) each year, a report titled 'Annual Report on Foreign Liabilities and Assets' as specified by the Reserve Bank of India from time to time.

3. The applicant was given an opportunity for personal hearing in the matter before this office vide letter FED.JP.No.261/06.10.537/2019-20 dated October 17, 2019 for further submission in person and/or producing documents, if any, in support of its application for compounding of contravention of the provisions of FEMA. However the company vide its email dated October 21, 2019 expressed its inability to appear for personal hearing and submitted that all the details relating to compounding had already been submitted by them. They further requested, to take a lenient approach in the matter. Since the company is unable to avail of the opportunity for personal hearing, the application for compounding is, therefore, being considered on the basis of the averments made in the application as well as documents and submissions made in this context by the applicant.

4. It has been declared by the company that the particulars given in the compounding application dated August 14, 2019 are true and correct to the best of their knowledge and belief. It has also been declared in the declaration dated April 16, 2019, 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. The applicant has further declared that-



- it has not filed any appeal under Section 17 or Section 19 of FEMA, 1999. 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.

5. I have given my careful consideration to the documents on record available with me. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:

(i) Paragraph 9(2) of schedule-1 and Regulation 13.1(3) of FEMA 20 and FEMA 20(R) respectively, due to delay in filing of Annual Return on Foreign Liabilities and Assets for the Financial Years 2016-17 and 2017-18.

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 that an amount of **₹ 20,000.00 (Rupees twenty thousand only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions namely contravention of Paragraphs 9(2) of Schedule-1 to Notification No. FEMA 20 and Regulation 13.1(3) of FEMA 20(R), by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of **₹ 20,000.00 (Rupees twenty thousand only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Jaipur 302004 by way of a demand draft drawn in favour of the "Reserve Bank of India" and payable at Jaipur 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 29<sup>th</sup> day of October 2019.

-Sd/-

(Arun Kumar Singh)  
Regional Director for Rajasthan and  
Chief General Manager, Jaipur