



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
5th Floor, Amar Building
Sir P M Road
Mumbai - 400 001

Present

R.K. Moolchandani
Chief General Manager

Date: August 26, 2019
CA No 4912 / 2019

In the matter of

Robosoft Technologies Private Limited
217, NH 66, Santhekatte,
New Udupi, Karnataka – 576 105

(Applicant)

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

Order

The applicant has filed the application dated March 12, 2019 (received in the Reserve Bank on March 25, 2019) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder, for (i) delay in filing Form ODI with respect to certain remittances made during 2014 & 2015 and (ii) delay in submission of Annual Performance Reports (APR) for the years 2007 to 2014, in contravention of Regulations 6(2)(vi) and 15(iii) of Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 notified vide Notification No. FEMA 120/2004-RB dated July 7, 2004 as



amended from time to time (hereinafter referred to as Notification No. FEMA 120/2004-RB).

2. The relevant facts are as under:

The applicant was incorporated as Robosoft Technologies private Limited (CIN U72900KA2000PTC027961), under the Companies Act, 1956, on 13.10.2000. The applicant is a company whose main business is to carry on the business of Software development service.

An overseas wholly owned subsidiary (WOS) of the applicant, namely 'Robosoft Technologies INC' was incorporated in California, USA in 2006. Subsequently, the applicant company has made 24 (nos) remittances to the WOS towards loan, during the period from March 2014 to September 2015 amounting to USD \$261 500. However, the outward remittances under ODI was reported to RBI on July 12&13, 2018 with a delay beyond the stipulated period, thereby contravening Regulation 6(2)(vi) of Notification No. FEMA 120/2004-RB. Also, there was a delay in submission of APRs for the years 2007 to 2014 in contravention of Regulation 15 (iii) of Notification No. FEMA 120/2004-RB.

3. The applicant was given an opportunity for personal hearing vide letter No. FE.CO.CEFA/7554/15.20.67/2018-19 dated June 24, 2019 for further submission in person and/or producing documents, if any, in support of the application. The personal hearing was attended by Shri Chethan Nayak K, a representative of the applicant. The representative of the applicant submitted that the contraventions were inadvertent and requested that a lenient view may be taken in the matter. Further, the applicant during the hearing mentioned that he may produce documentary evidence for having submitted the relevant ODI form to his bank and sought some time to submit the same to the compounding authority. His request was acceded to and he was allowed to submit the documents by August 02, 2019. The applicant submitted Form A2 and intimation request for outward remittance to AD, and not the relevant Form ODI as prescribed under FEMA 120/2004-RB, dated July 07, 2004, as amended. Hence, these were not treated as satisfactory documentary evidence and the applicant was accordingly advised vide email dated August 20, 2019.



4. It has been declared in the compounding application dated March 12, 2019, that the particulars given by the applicant in the application are true and correct to the best of their knowledge and belief. It has also been declared in the declaration furnished along 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 been 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.

The application is, therefore, being considered on the basis of the averments made in the application, the documents produced and submissions made during the meeting with the Compounding Authority.

5. I have given my careful consideration to the documents on record and submissions made during the personal hearing. It was observed that the applicant has contravened the provisions of Regulations 6(2)(vi) and 15(iii) of Notification No.FEMA.120/2004-RB. The amounts and periods of contravention are as follows:

(i) Regulations 6(2)(vi) – Amount of contravention – Rs. 1,61,66,534/- and period of contravention ranges from two years and nine months to four years and four months approximately.

(ii) Regulation 15(iii) – As per para 2 above.

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. After considering the submissions made by the applicant and the entire facts and circumstances of the case, it stands to reason that payment of an amount of **Rs. 1,90,375/- (Rupees one lakh ninety thousand three hundred and seventy five only)** will meet the ends of justice in the circumstances of this case.



7. Accordingly, I compound, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 the admitted contraventions committed by the applicant namely, Regulations 6(2)(vi) and 15(iii) of Notification No.FEMA.120/2004-RB, on payment of a sum of **Rs. 1,90,375/- (Rupees one lakh ninety thousand three hundred and seventy five)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 5th Floor, Amar Building, Fort, Mumbai 400001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at 'Mumbai' 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 the 26th day of August, 2019

Sd/-
(R.K. Moolchandani)
Chief General Manager