



In the

**Reserve Bank of India**  
10/3/8, Nrupathunga Road  
Bengaluru-560001

Present

**Ms. Shilpi Kumari**  
**Assistant General Manager**

Date: November 29, 2019  
**C.A. BGL 461/2017**

In the matter of

**M/s Visirx Technologies Private Limited**  
No.20, KSRTC Layout, 2<sup>nd</sup> Cross  
2<sup>nd</sup> Phase, J P Nagar  
Bengaluru 560078

**(Applicant)**

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

**ORDER**

The applicant has filed a compounding application dated July 05, 2019, received at this office of Reserve Bank of India, Bengaluru, on July 31, 2019, 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 in reporting receipt of foreign inward remittances towards subscription to equity, and (ii) delay 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 I 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 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, M/s Visirx Technologies Private Limited, was originally incorporated as M/s NOQ Systems Private Limited, on June 24, 2015, under the Companies Act, 2013, as per the Certificate of Incorporation issued by the Assistant Registrar of Companies, Karnataka. Subsequently, name of the company has changed to M/s Visirx Technologies Private Limited, with effect from April 12, 2016, under the Companies Act, 2013, as per the Certificate of Incorporation pursuant to change of name, issued by the Registrar of Companies, Karnataka. The company is engaged in the business of providing software and information technology related services, especially in the area of online reservation and booking systems. The applicant had received funds towards share application money from the non-resident investors, namely, Mr. Ramkumar Subramanian, USA, and M/s Shivaling INC, USA, as shown below:

**Table - 1**

| <b>Sl. No</b> | <b>Date of Receipt</b> | <b>Amount (INR)</b> | <b>Date of Reporting to RBI /AD</b> |
|---------------|------------------------|---------------------|-------------------------------------|
| 1             | 10-09-2015             | 1,00,000.00         | 17-02-2016                          |
| 2             | 09-10-2015             | 89,000.00           | 17-02-2016                          |
| 3             | 10-11-2015             | 2,00,000.00         | 17-02-2016                          |
| 4             | 30-12-2015             | 3,26,800.00         | 18-07-2016                          |
|               | <b>Total</b>           | <b>7,15,800.00</b>  |                                     |

The applicant reported receipt of remittances to the Reserve Bank / Authorized Dealer Bank, with a delay ranging from two months and seven days to five months and nineteen days, beyond the stipulated period of 30 days in respect of the remittances as indicated, in the Table 1 above. Whereas, in terms of Paragraph 9(1)(A) of Schedule I 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.



3. The company had allotted shares and filed form FC-GPR with Reserve Bank/AD Bank as indicated below:

**Table-2**

| Sl. No. | Date of Allotment | Number of equity shares allotted | Amount (INR)       | Date of reporting to RBI/AD Bank |
|---------|-------------------|----------------------------------|--------------------|----------------------------------|
| 1       | 28-12-2015        | 2593                             | 3,88,950.00        | 20-04-2016                       |
| 2       | 07-01-2016        | 2178                             | 3,26,700.00        | 20-02-2017                       |
|         | <b>Total</b>      | <b>4771</b>                      | <b>7,15,650.00</b> |                                  |

The applicant had filed form FC-GPRs on allotment of shares with the Bengaluru Regional Office of the Reserve Bank of India / Authorized Dealer Bank, with a delay ranging from two months and twenty four days to one year and fourteen days, beyond the prescribed period of 30 days. Whereas, in terms of Paragraph 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-RB, dated May 3, 2000, 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 persons resident outside India.

4. The applicant was given an opportunity for personal hearing, vide Reserve Bank's letter FE.BG.FID (CEFA) No. 1349/22.09.859/2019-20, dated November 22, 2019, for further submission in person and/or producing documents, if any, in support of the application. However, the company sought to be exempted from the personal hearing with the Compounding Authority vide their email dated November 26, 2019.

The application is, therefore, being considered on the basis of the averments made in the compounding application and the documents submitted therein.

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



(a) Paragraph 9(1)(A) of Schedule I to Notification No. FEMA 20/2000-RB, due to delay in reporting of foreign inward remittances, received towards subscription to equity as detailed in paragraph 2 above. The contravention relates to an amount of **₹7,15,800.00**, and the period of delay ranges from two months and seven days to five months and nineteen days; and

(b) Paragraph 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-RB, due to delay in submission of form FC-GPR to the Reserve Bank, after issue of shares to persons resident outside India as detailed in paragraph 3 above. The contravention relates to an amount of **₹7,15,650.00**, and the period of delay ranges from two months and twenty four days to one year and fourteen days.

6. It has been declared in the compounding application dated July 05, 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 been declared in the undertaking dated October 25, 2019, furnished as part of 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. It has further been declared that the applicant 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 is 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.

7. 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 **₹22,830.00 (Rupees**



**Twenty Two Thousand Eight Hundred and Thirty only**), will meet the ends of justice.

8. Accordingly, I compound the admitted contraventions namely, contravention of Paragraphs 9(1)(A) and 9(1)(B), of Schedule I to Notification No. FEMA 20/2000-RB, by the applicant, based on the facts discussed above, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of **₹22,830.00 (Rupees Twenty Two Thousand Eight Hundred and Thirty only)**, which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 2<sup>nd</sup> Floor, 10/3/8, Nrupathunga Road, Bengaluru – 560001, by a demand draft drawn in favour of the “Reserve Bank of India”, payable at Bengaluru, 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 Twenty Ninth day of November 2019.

**Sd/-**

**(Shilpi Kumari)**  
**Assistant General Manager**