



In the

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

Present

Shri. Subrata Das  
Regional Director (Andhra Pradesh and Telangana) and  
Chief General Manager (Hyderabad)

Date: March 29, 2019  
C.A. HYD 396

In the matter of  
M/s Surbana International Consultants (India) Private Limited  
Brijtarang, Unit-D 3 rd floor,  
6-3-1191/1, Kundanbagh  
Begumpet Hyderabad 500016

**(Applicant)**

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

**Order**

The applicant has filed the compounding application dated December 20, 2018 received on January 4, 2019 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contravention sought to be compounded is delay in submission of Form FC-GPR to Reserve Bank of India after issue of shares 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 respectively



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notified vide Notification no. FEMA. 20/2000-RB dated 3<sup>rd</sup> May 2000 (hereinafter referred to as Notification no. FEMA 20/2000-RB) as then applicable and as amended.

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

- a) The applicant is a resident company incorporated as M/s Cesma International Consultants (India) under the Companies Act, 1956 on 13.02.2003 and its name was subsequently changed to M/s Surbana International Consultants (India) Private Limited (SICPL) on August 2, 2005(CIN: U74210TG2003PTC040481). The company is engaged in the business of Architectural and engineering activities and related technical consultancy.
- b) The company had sought and availed expert assistance in business development and technical consultancy services from its overseas group entities Surbana Singapore and SIPM Singapore between 2007 and 2013. The overseas group entities incurred expenditure primarily on account of travel expenses which were cross charged to SICPL on cost to basis. SICPL could not pay the dues due to financial hardships and liquidity concerns. The company approached RBI requesting condonation of delay in remittances against import dues and conversion of the said payables into equity shares. FED, RBI conveyed its 'No Objection' to the conversion vide letter No. CO.FED.ECBD.9005/03.02.107/2016-17 dated March 8, 2017. The company was compounded vide CA No. 4631/2018 dated April 25, 2018 for contravention of Regulation 6(1) of FEMA 3/2000-RB dated 3<sup>rd</sup> May 2000 read with Paragraphs 1(i), (iii), (iv), (xi) and (xii) of Schedule 1 to the above regulation of FEMA 3/2000-RB. A penalty of ₹24,55,213/- was levied, which was paid by the company.
- c) The company allotted equity shares against the said import payables and filed form FC-GPR as indicated below with delay of 1 month 13 days approximately beyond the prescribed limit.



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S.No	Name of investor	No of Equity Shares/ CCPS allotted	Amount for which shares allotted (INR)	Date issue of Equity Shares /CCPS	Date of reporting to RBI
1	Surbana Jurong Consultants Pte Ltd	29559566	295595660	30.06.2017	12.09.2017
2	SIPM Consultants Pte Ltd	494514	4945140	30.06.2017	12.09.2017
		<b>Total</b>	<b>30,05,40,800</b>		

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/1903/14.66.003/2018-19 dated March 12, 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 March 27, 2019 during which Shri S. Nagaraj, Vice President, Finance of the company along with Shri Vaibhav Mehta, Consultant and Shri Harsh Saraf, Consultant admitted the contravention 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 administrative lapses. In view of the above, the applicant requested to take a lenient view in disposal of the application. The application for compounding is,



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therefore, being considered on the basis of the averments made in the application as 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)(B) of Schedule 1 to Notification No. FEMA 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 ₹30,05,40,800/- and the period of contravention is 1 month 13 days approximately.

5. It has been declared in the compounding application dated December 20, 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 20, 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. 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 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 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



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and I consider that an amount of ₹ **28190/- (Rupees Twenty Eight Thousand One Hundred and Ninety Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contravention, namely, the contravention of Paragraph 9(1)(B) of Schedule 1 to Notification No. 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 ₹ **28190/- (Rupees Twenty Eight Thousand One Hundred and 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 29<sup>th</sup> day of March 2019

(Sd/-)

(Subrata Das)

Regional Director (Andhra Pradesh and Telangana) and  
Chief General Manager (Hyderabad)