



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
11th floor, Central Office Building
Shahid Bhagat Singh Road
Mumbai - 400 001

Present

Nimmi R Kaul
General Manager

Date: December 24, 2018
CA No 4774 / 2018

In the matter of

Genpact Enterprise Risk Consulting LLP
Delhi Information Technology Park, Shastri Park,
GT Road, New Delhi 110 053

(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 July 30, 2018 (received in the Reserve Bank on August 27, 2018), 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 reporting the receipt of remittances in Form Foreign Direct Investment – LLP (I), beyond the stipulated time period of 30 days, in contravention of Regulation 5(9) read with para 6(i) of Schedule 9 of 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 3, 2000 as amended from time to time (hereinafter referred to as FEMA 20).



2. The relevant facts are as under: The applicant is a Limited Liability Partnership (LLP) (LLPIN -AAI-7153), formed on March 2, 2017, with M/s Genpact Consulting (Singapore) Pte. Ltd, Singapore, M/s Genpact Singapore Pte. Ltd., Singapore, Axis Risk Consulting Services Private Limited, India as partners

The applicant has received foreign inward remittances as capital contributions from M/s Genpact Consulting (Singapore) Pte. Ltd, Singapore and M/s Genpact Singapore Pte. Ltd., Singapore:

Remitter	Amount received (Rs.)	Date of receipt	Date of reporting to RBI
M/s Genpact Consulting (Singapore) Pte. Ltd, Singapore	89,80,000/-	11.05.2017	22.01.2018
M/s Genpact Singapore Pte. Ltd., Singapore	10,000	11.05.2017	22.01.2018

Delay in reporting of receipt of FDI by the LLP in Form LLP (I) was in contravention of Regulation 5(9) read with para 6(i) of Schedule 9 of FEMA 20. Administrative action of submission of Form Foreign Direct Investment – LLP (I) with RBI has since been complied with.

3. In terms of Regulation 5(9) of FEMA 20:

“A person resident outside India (other than a citizen of Pakistan or Bangladesh) or an entity incorporated outside India, (other than an entity in Pakistan or Bangladesh), not being a registered Foreign Institutional Investor or Foreign Venture Capital Investor or Qualified Foreign Investor registered with SEBI or Foreign Portfolio Investor registered in accordance with SEBI guidelines, may contribute foreign capital either by way of capital contribution or by way of acquisition/ transfer of profit shares in the capital structure of an LLP under Foreign Direct Investment, subject to the terms and conditions as specified in Schedule 9.”



Further, in terms of Paragraph 6(i) of Schedule 9 of FEMA 20 read with Para 7(a) of Part IV (A) to Master Direction – Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016:

LLPs shall report to the Regional Office concerned of the Reserve Bank, the details of the receipt of the amount of consideration for capital contribution and 'profit shares' in Form Foreign Direct Investment – LLP (I) as specified by Reserve Bank from time to time, through an AD Category - I bank, at the earliest but not later than 30 days from the date of receipt of the amount of consideration.

4. The applicant was given an opportunity for personal hearing vide letter No. FE.CO.CEFA/2290/15.20.67/2018-19 dated October 19, 2018 for further submission in person and/or producing documents, if any, in support of the application. The personal hearing was held on November 12, 2018 during which Shri Sudhir Nayak, Shri Venkatraman Iyer and Shri Sagar Joshi represented the applicant. The representatives of the applicant submitted that the applicant had inadvertently failed to comply with the FEMA regulations and requested that a lenient view may be taken in the matter.

It has also been declared in the compounding application dated July 30, 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 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/him/her 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 personal hearing.



5. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. It was observed that the applicant has contravened the provisions of Regulation 5(9) read with para 6(i) of Schedule 9 of FEMA 20. The amount of contravention is Rs. 89,90,000/- and the period of contravention is 7 months and 11 days.

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 I am persuaded to take a lenient view on the amount for which the contravention is to be compounded and it stands to reason that payment of an amount of Rs. 94,950 (Rupees ninety four thousand nine hundred and fifty) 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 contravention committed by the applicant namely, Regulation 5(9) read with para 6(i) of Schedule 9 of FEMA 20, on payment of a sum of Rs. Rs. 94,950 (Rupees Ninety four thousand nine hundred and fifty) 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 December 24, 2018

Sd/-

(Nimmi R Kaul)
General Manager