



In the

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

Present

Shri C Nageswara Rao
Deputy General Manager

Date: May 06, 2019
C.A. HYD 411

In the matter of

M/s Vsplash Techlabs Pvt Ltd
12th Floor, Building No. 20, Raheja Mindspace
Sy. No. 64, APIIC Software Layout, Madhapur
Hitech City, Hyderabad- 500081.

(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 there under, I pass the following

Order

The applicant has submitted the compounding application dated January 31, 2019 received by us on February 27, 2019 for compounding of contraventions of the provision of the Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued there under. The contravention sought to be compounded is delay in submission of Form FC-GPR to Reserve Bank of India 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 notified vide Notification No.



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FEMA. 20/2000-RB dated 3rd May 2000 as then applicable and amended from time to time (herein after referred to as Notification No. FEMA 20/2000-RB).

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

- a) a) The applicant is a resident company incorporated as Private Limited Company under the Companies Act, 1956 on 21.08.2008 (CIN-U74900TG2008PTC060669). The company is engaged in the business of Software Development.
- b) The applicant had received foreign inward remittance of ₹ 1,76,295/- from Mr. Anil Bansal on 19.03.2009 and reported the same to the Regional Office of Reserve Bank of India within the prescribed time limit in terms of Paragraph 9(1)(A) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 03, 2000.
- c) The company allotted shares and filed form FC-GPRs as indicated below:

SI No.	Name of the Investor, country	Date of allotment of shares	Number of shares allotted	Amount for which shares allotted (INR)	Date of reporting
1	Anil Bansal,	31.03.2009	1,750	1,75,000.00	30.04.2009
2	USA	11.03.2011	17,500	17,50,000.00	09.01.2019
3		28.11.2018 #	96,250	96,25,000.00	15.02.2019
	Total		1,15,500	1,15,50,000.00	

Company paid LSF for the delay in reporting of form FCGPR.

The applicant filed form FCGPRs for issue of shares amounting to ₹ 1,15,50,000/- as indicated above, out of which bonus shares amounting to ₹ 17,50,000/- were reported with the delay of 7 years 8 months 29 days approximately beyond the stipulated period of 30 days. 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 of India 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/2353/14.66.003/2018-19 dated April 24, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant vide mail dated April 29, 2019 stated that they are foregoing appearing for the personal hearing and requested that the compounding application may be disposed off on the basis of merits in terms of the facts/submission made therein along with the compounding application. The application for compounding is, therefore, being considered on the basis of the averments made in the application.

4. 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 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 person resident outside India and the contravention relates to an amount of **₹ 17,50,000/-** with delay of 7 years 8 months 29 days approximately.

5. It has been declared in the compounding application dated January 31, 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 declaration dated January 31, 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. 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 contravention which is being compounded in this Order is subject to the veracity of the above declarations made



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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 and I consider that an amount of **₹ 29,375/- (Rupees Twenty Nine Thousand Three Hundred Seventy Five Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions 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 **₹ 29,375/- (Rupees Twenty Nine Thousand Three Hundred Seventy Five 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 6th day of May 2019

Sd/-

(C Nageswara Rao)

Deputy General Manager