



In the

RESERVE BANK OF INDIA

Foreign Exchange Department

6, Sansad Marg

New Delhi-110001

Present

Anupam Sonal

Chief General Manager

Date: March 18, 2019

CA No. NDL 340/2018

In the matter of

World Learning India Private Limited

168, Ground Floor, Pocket – 2, Jasola Vihar, New Delhi 110025

(Applicant)

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

ORDER

The applicant has filed the compounding application dated November 14, 2018 (received at Reserve Bank of India, New Delhi on November 27, 2018) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (hereinafter referred to as FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are those of (i) delay in reporting foreign inward remittance received for issue of shares, and (ii) delay in filing form FC-GPR after issue of shares, in terms of Paragraph 9(1)(A) and 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. FEMA 20/2000-RB dated May 3, 2000 (hereinafter referred to as FEMA 20/2000-RB), as amended from time to time.



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

(a) The applicant company was incorporated on July 23, 1997 with the name “Third Millenium Consultants Pvt. Ltd.” which was changed to “World Learning for Business India Pvt. Ltd.” and then to “World Learning India Private Limited” on August 29, 2006. The company is engaged in the business of educational support services.

(b) The applicant had received three foreign inward remittances during December 24, 2002 and May 3, 2017 from its foreign investor M/s World Learning Inc., USA and reported them with delay ranging from 1 to 19 days, beyond the prescribed period, as detailed below, in contravention of paragraph 9(1)(A) of Schedule 1 to FEMA 20/ 2000-RB, as then applicable.

Sl. No.	Date of receipt	Amount (in INR)	Date of reporting
1.	24.12.2002	3,54,215.00	11.02.2003
2.	28.03.2003	10,12,178.84	28.04.2003
3.	03.05.2017	4,87,80,600.00	07.06.2017
		5,01,46,993.84	

Whereas, in terms of paragraph 9(1)(A) of Schedule 1 to FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures or warrants in accordance with these Regulations should submit to Reserve Bank, not later than 30 days from the date of receipt of the amount of consideration, a report as per the prescribed procedure.

(c) The applicant had issued 998 equity shares to M/s World Learning Inc., USA on December 30, 2002 against the remittance received on December 24, 2002 for a consideration amount of ₹99,980/- and reported the same in form FC-GPR on February 11, 2003 with a delay of 13 days beyond the prescribed period in contravention of paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, as then applicable. Whereas, in terms of paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures in accordance with these Regulations shall submit to Reserve Bank, not later than 30 days from the date of issue of shares, a report in form FC-GPR together with documents prescribed therein.

(d) Thus, there are contraventions of paragraph 9(1)(A) and 9(1)(B) of Schedule 1 to FEMA 20/2000-RB dated May 3, 2000, as then applicable.

3. The applicant was given an opportunity for personal hearing for further submission in person and/ or by producing documents, if any, in support of the application. Ms



Dimpy Mohanty and Mr. Dhruv Manchanda, both Advocates, appeared for personal hearing on March 14, 2019 on behalf of the applicant. The representatives of the applicant admitted the contraventions committed by the applicant for which compounding has been sought. During the personal hearing, they submitted that delays were without any *malafide* or wilful intention but were mainly due to delay in receipt of KYC documents and circumstances beyond the control of the company. They requested for a lenient view in the matter. The application for compounding is, therefore, being considered on the basis of averments made in the application as well as other documents and submissions made during the personal hearing.

4. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened the following FEMA provisions:

(a) Paragraph 9(1)(A) of Schedule 1 to FEMA 20/2000-RB, due to delay in reporting of foreign inward remittances received towards subscription of shares as detailed in paragraph 2(b) above. The contraventions relate to an amount of ₹5,01,46,993.84 (Rupees Five Crore One Lakh Forty Six Thousand Nine Hundred Ninety Three and Paise Eighty Four only) and the period of delay ranges from 1 to 19 days.

(b) Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, due to delay in filing form FC-GPR after issue of shares as detailed in paragraph 2(c) above. The contravention relates to an amount of ₹99,800/- (Rupees Ninety Nine Thousand and Eight Hundred only) and the period of delay is 13 days.

5. It has been declared in the compounding application dated November 14, 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 undertaking dated January 2, 2019 furnished by the Director of the company 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 contraventions are to be compounded and I consider that an amount of **₹24,360/- (Rupees Twenty Four Thousand Three Hundred and Sixty only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions of paragraph 9(1)(A) and 9(1)(B) of Schedule 1 to FEMA 20/2000- RB, as then applicable, by the applicant based on the facts detailed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of **₹24,360/- (Rupees Twenty Four Thousand Three Hundred and Sixty only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 6, Sansad Marg, New Delhi - 110001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at New Delhi 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 18th day of March 2019.

Sd/-
(Anupam Sonal)
Chief General Manager