



In the

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

Present

Shri. P. Kalyan Chakravarthy
Assistant General Manager

Date: March 12, 2020
CA HYD 501

In the matter of

M/s. Nimmetry Technologies Private Limited
Trendz BSR, Plot No: 10, 3rd Floor, Green Land Colony
Gachibowli, Hyderabad - 500 032

(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 had filed the compounding application dated January 24, 2020, received on January 30, 2020, for compounding of contravention of the provision of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contravention sought to be compounded is Delay in receipt of amount of consideration after the allotment of shares in terms of Paragraph 2 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(R)/2017-RB dated November 07, 2017 (hereinafter referred to as Notification No. FEMA 20(R)/2017-RB) as then applicable.



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

a) The applicant is a resident company incorporated as Private Limited Company under the Companies Act, 2013 on May 25, 2018 (CIN: U74999TG2018FTC124767). The company is engaged in the business of “Computer consultancy and computer facilities management activities”

b) The applicant had received an inward remittance of ₹ 51,452/- towards Subscription to Memorandum of Association from M/s Nimmetry Inc. on March 25, 2019. The applicant had allotted 5,100 shares at an issue price of ₹ 10/- each to M/s Nimmetry Inc. on May 25, 2018, however form FC-GPR was reported to Reserve Bank of India only on November 30, 2019, with a delay of 1 year 5 months 5 days beyond the prescribed limit. The contravention of delay in filing of form FC-GPR was regularized by the applicant by payment of Late Submission Fee (LSF).

c) The applicant had received consideration amount of ₹ 51,000/- after the allotment of shares towards Subscription to Memorandum of Association, with a delay of 10 months beyond the prescribed limit as indicated below, in contravention of Paragraph 2 of Schedule 1 to Notification No. FEMA 20(R)/2017-RB dated November 07, 2017 as then applicable.

SI No	Name of Remitter	Amount (₹)	Date of Allotment	Date of Receipt
1	Nimmetry Inc.	51,000	25.05.2018	25.03.2019

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank’s letter No. HY.FE.FID/2014/14.66.003/2019-20 dated March 07, 2020 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 10, 2020, during which Shri. P. Narendar, Advocate and Shri. Upadrasta Sai Krishna, Secretarial Executive,



represented the applicant. The authorized representatives of the applicant admitted the contraventions 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 inadvertence. In view of the foregoing, the representatives of the applicant requested to take a lenient view in disposal of the application. The application for compounding is, therefore, being considered on the basis of the averments made in the application as well as other documents and submissions made in this context by the applicant.

4. It has been declared in the compounding application dated January 24, 2020 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 24, 2020 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 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.

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:-

Paragraph 2 of Schedule 1 to Notification No. FEMA 20(R)/2017-RB for delay in receipt of amount of consideration after the allotment of shares. The



contravention relates to an amount of ₹ 51,000/- and the period of contravention is 10 months.

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 ₹ 4,248/- (**Rupees Four Thousand Two Hundred and Forty Eight Only**) will meet the ends of justice.

7. Accordingly, I compound the admitted contravention, namely, the contravention of Paragraph 2 of Schedule 1 to Notification No. FEMA 20(R)/2017-RB dated November 07, 2017 as then applicable, by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of ₹ 4,248/- (**Rupees Four Thousand Two Hundred and Forty Eight 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 03, 2000 shall apply.

The application is disposed of accordingly.

Dated this 12th day of March 2020

(P. Kalyan Chakravarthy)
Assistant General Manager