



In the

Reserve Bank of India  
Foreign Exchange Department  
Central Vista, Sector 17, P.B.No.2  
Chandigarh-160017

Present

Shri Vikramjit Singh Randhawa  
Assistant General Manager

Date: April 18, 2019

CA No. CHA 36/2019

In the matter of

**M/s Super Easy Software Pvt. Ltd.**  
CIN-U72501CH2017FTC041509  
Plot No. 14, level 4, Aeren Building  
Rajiv Gandhi I.T Park,  
Chandigarh-160101

(Applicant)

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

### **Order**

The applicant has filed a compounding application dated March 25, 2019 (received at Reserve Bank of India on March 26, 2019) for compounding of contravention of the provision of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued there under. The contravention sought to be compounded is the delay in refunding the excess amount beyond stipulated time after issue of shares to a person resident outside India; in terms of Paragraph 2 of Schedule 1 to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 notified vide Notification No. FEMA 20 (R)/ 2017-RB dated November



7, 2017, as amended from time to time (hereinafter referred to as Notification No. FEMA 20 (R)/2017-RB).

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

The applicant company was incorporated on April 26, 2017 under the Companies Act 2013. The applicant is engaged in the business of computer programming, Consultancy and related activities.

3. The applicant had issued shares in respect of foreign inward remittance and failed to refund the excess inflow amount within the stipulated time limit and applied for refund of the same as indicated below.

Date of inflow	Inflow Amount	Value of shares issued	Excess amount	Date of application for refund to RBI	Delay (in days)
06.04.2018	4,12,155.00	4,00,000	12,155.00	26.09.2018	98 days

As mentioned above, there was delay of **98 days** in applying for refund of excess inflow beyond stipulated time. This is contravention of **para 2 of schedule 1 to FEMA 20(R)/2017-RB dated November 07, 2017**.

4. The applicant was given an opportunity for personal hearing vide our letter No. CHD.FE.CG/FID/737/03.01.359/2018-19 dated April 01, 2019 for further submission in person and/or producing documents, if any, in support of the application. Shri Vikas Chhabra, Director and Shri Rahul Jogi, Advisor of the company appeared for the personal hearing on April 12, 2019. During the personal hearing, the representatives of the applicant admitted the contraventions committed by them for which they have sought compounding. The representative submitted that the contraventions were due to lack of awareness of the procedural requirements and were not intentional and have requested for taking a lenient view in the matter. The application is, therefore, being considered on the basis of the averments made in the application, and documents produced.

5. It has been declared in the compounding application dated March 25, 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 undertaking 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.

Page 2 of 3

6. I have given my careful consideration to the documents on record and submissions made by the applicant. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:

- a. **Paragraph 2 of schedule 1 to FEMA 20(R)/ 2017-RB dated November 07, 2017** due to delay in refunding the excess amount beyond the stipulated time as detailed in paragraph 3 above. The contravention relates to an amount of ₹ **12,155.00/- with a delay of 98 days.**

7. 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 amount of penalty of ₹ **331.00 (Rs Three Hundred Thirty One only)** will meet the ends of justice.

8. Accordingly, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, I compound the admitted contravention committed by the applicant, namely contravention of 2 of Schedule I to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 notified vide Notification No. FEMA 20 (R)/ 2017-RB dated November 7, 2017 on the facts discussed above, on payment of an amount of ₹ **331.00 (Rs Three Hundred Thirty One only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Central Vista, Sector 17, Chandigarh-160017 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at "Chandigarh" **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 of accordingly.

Dated: the 18<sup>th</sup> day of April 2019.

Sd/-

Vikramjit Singh Randhawa  
Assistant General Manager