



In the

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

Present

Shri Kalyan Chakravarthy P
Assistant General Manager

Date: January 22, 2019
C.A. HYD 356

In the matter of
M/s JSD Medical Business Management Services Pvt Ltd
2nd floor, Royal Demeure Plot NO. 12/2
Sector-1, Huda Techno Clave, Madhapur
Hyderabad, Telangana- 500081.

(Applicant)

In exercise of the powers conferred under Section 15(1) 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 November 15, 2018 received by us on November 20, 2018 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. FEMA. 20/2000-RB dated 3rd May 2000 as then applicable (herein after referred to as Notification No. FEMA 20/2000-RB).



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

- a) The applicant is a resident company incorporated as a Private Limited company under the Companies Act, 2013 on 25.06.2015 (CIN-U72200TG2015PTC099462). The activity of the company is provision of computer programming, consultancy and related activities.
- b) The applicant had received foreign inward remittances of ₹ 10,00,330/- from Shri Mahendra R Sanapati on 31.07.2015 towards share subscription 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-GPR as indicated below:

SI No.	Name of the Investor	Date of allotment of shares	Number of shares allotted	Amount for which shares allotted (INR)	Date of reporting
1	Mahendra R	25.06.2015	9,800	98000/-	12.01.2016
2	Sanapati	24.09.2015	90,000	9,00,000/-	23.06.2016
	Total		99,800	9,98,000/-	

The applicant filed form FCGPRs for issue of shares amounting to ₹ 9,98,000/- as indicated above and were reported with delays ranging from 5 months 18 days to 8 months 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/1369/14.66.003/2018-19 dated January 10, 2019 for



further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant appeared for personal hearing on January 17, 2019 during which Shri. T Srinivasulu, Chartered Accountant represented the applicant. The authorized representative of the applicant admitted the contraventions for which the compounding has been sought. In view of the foregoing, the representative 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.

4. I have given my careful consideration to the documents on record. Accordingly, I hold that the applicant has contravened the following FEMA provisions 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-GPRs to Reserve Bank of India after issue of shares to person resident outside India and the contravention relates to an amount of ₹ 9,98,000/- with delays ranging from 5 months 18 days to 8 months approximately.

5. It has been declared in the compounding application dated November 15, 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 declaration dated November 15, 2018 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. 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 contravention is to be compounded and I consider that an amount of **₹ 11,170/- (Rupees Eleven Thousand One Hundred Seventy 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 **₹ 11,170/- (Rupees Eleven Thousand One Hundred Seventy 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 22nd day of January 2019

Sd/-

(Kalyan Chakravarthy P)

Assistant General Manager