



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
11th floor, Central Office Building
Shahid Bhagat Singh Road
Mumbai - 400 001

Present

Meghna Singh
Assistant General Manager

Date: May 28, 2019
CA No 4900 / 2019

In the matter of

Bravura Solutions India LLP
Tower- B, 10th floor, Building No.14, DLF Cyber City,
Phase III, Sector 24& 25A Gurugram 122002

(Applicant)

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

Order

The applicant has filed the application dated February 27, 2019 (received in the Reserve Bank on March 05, 2019), for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contravention sought to be compounded is delay in reporting the receipt of remittances in Form Foreign Direct Investment – LLP(I), beyond the stipulated time period of 30 days, in contravention of Regulation 5(9) read with para 7(i) (applicable till 02.03.2017 in this case), para 6(i) (applicable from 03.03.2017 to 06.11.2017 in this case) of Schedule 9 of 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 as amended from time to time (hereinafter referred to as FEMA 20) and Regulation 13(7) of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 notified by Notification No. FEMA 20(R)/2017-RB dated November 7, 2017 as amended from time to time [applicable from 07.11.2017 till 06.02.2019 in this case, and hereinafter referred to as FEMA 20(R)].

2. The relevant facts are as under: the applicant was incorporated as Bravura Solutions India Private Limited on 01.12.2010. Subsequently the applicant converted into a limited liability partnership (LLP) on 10.05.2016 and its name was changed to Bravura Solutions India LLP. After conversion the shareholders of Bravura Solutions India Pvt. Ltd., viz., Bravura Solutions Operations Pty Ltd and Bravura Solutions (Australia) Pty Ltd., became partners in Bravura Solutions India LLP.

Both the partners appointed their respective nominees to act as 'Designated Partners' of the LLP. A capital contribution of Rs.1 was made in respect of appointment of each nominee partner. Accordingly, on 16.09.2016, inward remittances amounting to Rs.2 were received by the applicant from Bravura Solutions Operations Pty Ltd, a non-resident [Rs.1 for nominee director appointed by self and Rs.1 on behalf of nominee director appointed by Bravura Solutions (Australia) Pty Ltd].

Since, the applicant has received the amount of capital contribution i.e. Rs. 2 from a non-resident, the same is reckoned as foreign investment and reporting for same was required to be done within 30 days from the date of receipt of amount of consideration. In the instant case, the remittances received on 16.09.2016 were reported on 22.01.2019 and 06.02.2019, i.e., beyond the prescribed period of 30 days, the same is not in line with Para 7(1) of Schedule 9 (for the period 16.10.2016 to 02.03.2017), Para 6(1) of Schedule 9 (for the period 03.03.2017 to 06.11.2017) read with Regulation 5(9) of FEMA 20 and Regulation 13.1(7) of FEMA 20(R) (for the period 07.11.2017 to 06.02.2019).



Administrative action of submission of Form LLP (I) with RBI has been complied with.

3. In terms of Regulation 5(9) of FEMA 20:

“A person resident outside India (other than a citizen of Pakistan or Bangladesh) or an entity incorporated outside India, (other than an entity in Pakistan or Bangladesh), not being a registered Foreign Institutional Investor or Foreign Venture Capital Investor or Qualified Foreign Investor registered with SEBI or Foreign Portfolio Investor registered in accordance with SEBI guidelines, may contribute foreign capital either by way of capital contribution or by way of acquisition/ transfer of profit shares in the capital structure of an LLP under Foreign Direct Investment, subject to the terms and conditions as specified in Schedule 9.” Further, Paragraph 7(i) of Schedule 9 of the abovementioned regulations specifies a time period of 30 days from the date of receipt of the amount of consideration, within which the LLP shall submit a report in Form Foreign Direct Investment – LLP(I) to the Reserve Bank of India. Regulation 6(i) of Schedule 9 of FEMA 20 provides the reporting requirements with regard to receipt of foreign remittances in LLPs. Regulation 13(7) of FEMA 20(R) states that, “A Limited Liability Partnerships (LLP) receiving amount of consideration for capital contribution and acquisition of profit shares shall submit Form LLP (I) to the Regional Office of the Reserve Bank under whose jurisdiction the Registered Office of the Limited Liability Partnership is situated, within 30 days from the date of receipt of the amount of consideration”.

4. The applicant was given an opportunity for personal hearing vide letter No. FE.CO.CEFA/5724/15.20.67/2018-19 dated March 28, 2019 for further submission in person and/or producing documents, if any, in support of the application. The personal hearing was held on April 09, 2019 during which Miss Pooja Aggarwal represented the applicant. The representative of the applicant submitted that the applicant had inadvertently failed to comply with the FEMA regulations and requested that a lenient view may be taken in the matter.

It has also been declared in the compounding application dated February 27, 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 also been declared in



the declaration furnished along 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 been informed of initiation of any such enquiry/investigation/adjudication proceedings against it/him/her 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.

The application is, therefore, being considered on the basis of the averments made in the application, the documents produced, and submissions made during the personal hearing.

5. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. It was observed that the applicant has contravened the provisions of Regulation 5(9) read with para 7(i) (applicable till 02.03.2017 in this case), para 6(i) (applicable from 03.03.2017 to 06.11.2017 in this case) of Schedule 9 of FEMA 20 and Regulation 13(7) of FEMA 20(R) (for the period 07.11.2017 to 06.02.2019). The amount of contravention is Rs. 2/- and the period of contravention is 2 years and 4 months approximately.

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. After considering the submissions made by the applicant and the entire facts and circumstances of the case I am persuaded to take a lenient view on the amount for which the contravention is to be compounded and it stands to reason that payment of an amount of Rs. 1/- (Rupee one only) will meet the ends of justice in the circumstances of this case.

7. Accordingly, I compound, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 the admitted contravention committed by the applicant namely, Regulation 5(9) read with para 7(i) (applicable till 02.03.2017 in this case), para 6(i) (applicable from 03.03.2017 to



06.11.2017 in this case) of Schedule 9 of FEMA 20 and Regulation 13(7) of FEMA 20(R) (for the period 07.11.2017 to 06.02.2019), on payment of a sum of Rs. 1/- (Rupee one only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 5th Floor, Amar Building, Fort, Mumbai 400001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at 'Mumbai' 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 28th May, 2019

Sd/-
(Meghna Singh)
Assistant General Manager