



In the

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

Present

Shri Subrata Das  
Regional Director (Andhra Pradesh and Telangana) and  
Chief General Manager (Hyderabad)

Date: January 17, 2019  
C.A. HYD 354

In the matter of  
M/s. Lex Nimble Solutions Limited  
Quadrant 3, Module A1  
10th Floor, Cyber Towers  
HITEC City, Madhapur  
Hyderabad – 500 081

**(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 filed the compounding application dated November 12, 2018 received on November 15, 2018 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 submission of Form FC-GPR to Reserve Bank of India after issue of shares towards subscription to equity to a person resident outside India in terms of Paragraph 9(1)(B) of Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000 of Schedule 1 to Foreign Exchange



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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 (hereinafter referred to as Notification No. FEMA 20 /2000-RB) as then applicable.

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

- a) The applicant is a resident company incorporated as M/s. ILBSG Professional Services Private Limited Company under the Companies Act, 1956 on 15.04.2005 (CIN: U74140AP2005PTC045904) and later changed its name to M/s. Lex Nimble Solutions Private Limited with effect from 17.01.2012. Later the company was converted into a public limited company and the name was changed accordingly as M/s. Lex Nimble Solutions Limited with effect from 18.08.2017 (CIN: U74140TG2005PLC045904). The company is engaged in the business of computer consultancy and computer facilities management activities.
- b) The applicant had received foreign inward remittances from single foreign investor towards advance for equity shares as indicated below.

<b>Sl No</b>	<b>Name of the Remitter</b>	<b>Total Amount (INR)</b>	<b>Date of Receipt</b>	<b>Date of Reporting</b>
1	Lex Nimble Solutions Inc.	784898	13.12.2011	13.06.2012
2	Lex Nimble Solutions Inc.	777330	27.12.2011	07.06.2012
3	Lex Nimble Solutions Inc.	784065	03.01.2012	13.06.2012
4	Lex Nimble Solutions Inc.	2044000	19.04.2012	28.06.2012
5	Lex Nimble Solutions Inc.	1084600	22.05.2012	11.06.2012



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6	Lex Nimble Solutions Inc.	54.03	03.07.2012	06.07.2012
7	Lex Nimble Solutions Inc.	542600	18.07.2012	10.08.2012
8	Lex Nimble Solutions Inc.	659520	14.08.2012	22.08.2012
9	Lex Nimble Solutions Inc.	1844500	24.09.2012	05.10.2012
10	Lex Nimble Solutions Inc.	1337500	01.11.2012	10.11.2012
11	Lex Nimble Solutions Inc.	6804000	20.08.2013	03.09.2013
12	Lex Nimble Solutions Inc.	1193701.50	27.06.2014	07.07.2014
13	Lex Nimble Solutions Inc.	5804011.20	07.11.2014	21.11.2014
14	Lex Nimble Solutions Inc.	9470011.20	12.11.2014	21.11.2014
15	Lex Nimble Solutions Inc.	9791510.40	17.11.2014	24.11.2014
	<b>Total</b>	<b>4,29,22,301.33</b>		

The applicant reported receipt of remittances towards share subscription amounting to **₹4,29,22,301.33** to the Regional Office of Reserve Bank of India and the company has been compounded earlier for delay in reporting of inward remittances from SI no. 1 to 4 in the above table vide our Compounding Order No. CA HYD 29/2013 dated January 21, 2013. The remaining remittances were reported by the company within the stipulated period of 30 days from the date of receipt of inward remittances.



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c) The company allotted equity shares and filed form FC-GPRs 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	Lex Nimble Solutions Inc.	06.06.2012	80301	5474922.18	09.07.2012
2	Lex Nimble Solutions Inc.	19.10.2012	43523	3046610	16.11.2012
3	Lex Nimble Solutions Inc.	07.02.2013	19107	1337490	21.02.2013
4	Lex Nimble Solutions Inc.	07.10.2013	97069	6803566.21	15.10.2013
5	Lex Nimble Solutions Inc.	31.10.2014	11900	1193700.9	28.11.2014
6	Lex Nimble Solutions Inc.	23.12.2014	249878	25065512.1	06.01.2015
7	Lex Nimble Solutions Inc.	26.07.2017	2508890 Bonus issue	25088900	08.06.2018
	<b>Total</b>		<b>30,10,668</b>	<b>6,80,10,701.39</b>	

The applicant filed form FCGPRs for the allotment of shares amounting to ₹6,80,10,701.39 as indicated above out of which shares amounting to ₹3,05,63,822.20 were reported and all were reported with a delay ranging from 3 days to 9 months 14 days approximately beyond the prescribed limit. 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



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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/1365/14.66.003/2018-19 dated January 09, 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 14, 2019 during which Ms. Kavitha Somavarapu, Company Secretary represented the applicant. The authorized representative 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 administrative reasons. 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 as well the submissions made in this context by the applicant during the personal hearing.

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:-

(a) Paragraph 9(1)(B) of Schedule 1 to Notification No. 20/2000-RB for delay in submission of Form FC-GPR to Reserve Bank of India after issue of shares to persons resident outside India and the contravention relates to an amount of ₹3,05,63,822.20 and the period of contravention ranges from 3 days to 9 months 14 days approximately.

5. It has been declared in the compounding application dated November 12, 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 12, 2018 furnished with the compounding application that the applicant



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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 **₹ 52,060/- (Rupees Fifty Two Thousand Sixty 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 of **₹ 52,060/- (Rupees Fifty Two Thousand Sixty 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.



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Dated this 17<sup>th</sup> day of January 2019

Sd/-

(Subrata Das)

Regional Director (Andhra Pradesh and Telangana) and  
Chief General Manager (Hyderabad)