



In the

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

Present

R. Subramanian
Regional Director

Date: January 05, 2018
C.A. HYD 249

In the matter of

M/s. IVIS International Private Limited
D.No:39-9-94, 1st floor, SVS Temple Street
Labbipet, Vijayawada - 520010
Andhra Pradesh

(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 September 20, 2017 received on September 26, 2017 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are (i) delay in reporting receipt of foreign inward remittances and (ii) delay in submission of form FC-GPR to the Reserve Bank of India after issue of shares to a person resident outside India in terms of Paragraphs 9(1)(A) and 9(1)(B) respectively 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 and as amended from time to time (hereinafter 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 28th October 2014(CIN: U74900AP2014PTC095541). The company is engaged in the business of Security systems service activities.
- b. The applicant had received foreign inward remittances from various foreign investors towards advance for subscription to equity shares as indicated below:

Sl. No.	Name of Remitter	Total Amount (INR)	Date of Receipt	Date of Reporting
1	Satya Prasad Tummala	6,58,810.40	07.04.2015	19.09.2015
2	Prasad Family LP	8,71,360	09.04.2015	27.07.2015
3	Swarupa Kancherla	20,44,584	09.04.2015	21.08.2015
4	Vamsi Krishna Kancherla	20,44,584	09.04.2015	19.06.2015
5	Gurru Family Partnership Ltd	21,51,668	09.04.2015	01.07.2015
6	Scott Sanford	9,53,114	22.04.2015	18.08.2015
7	Sreehari Patibandla	23,82,640	28.04.2015	19.06.2015
8	Manohar Radha Angirekula	17,60,732	28.04.2015	19.06.2015
9	Syam Vemulapalli	16,02,932.40	28.04.2015	19.06.2015
10	Raja Family Limited Partnership	51,24,990	09.06.2015	01.07.2015
11	Katta LLC	6,95,918	15.06.2015	01.07.2015
12	RAVK LTD	2,26,43,467.20	07.01.2016	03.02.2016
13	Vijay Adimoolam	6,20,568	22.01.2016	06.04.2016
14	Manohar Radha Angirekula	17,72,170.50	25.02.2016	22.03.2016
15	Suresh Prasad	8,69,315	25.02.2016	22.03.2016
16	Satya Prasad Tummala	6,59,451	29.02.2016	02.04.2016
17	Sreehari Patibandla	23,86,280	03.03.2016	11.04.2016



18	Vamsi Krishna Kancherla	20,61,800	03.03.2016	02.04.2016
19	Gurru Family Partnership Ltd	21,43,545.25	11.03.2016	04.04.2016
20	Swarupa Kancherla	20,61,500	29.03.2016	18.04.2016
21	Syam Vemulapalli	16,15,723.50	29.02.2016	11.04.2016
22	Scott Sanford	9,51,382.50	14.03.2016	19.05.2016
23	Usha R Kurra	51,26,618	18.04.2016	17.05.2016
24	Vijay Adimoolam	6,18,117.50	18.04.2016	17.05.2016
25	Katta LLC	7,26,864.21	25.04.2016	17.05.2016
26	RAVK LTD	2,25,71,883.36	31.05.2016	10.06.2016
	Total	8,71,20,018.82		

The applicant reported receipt of remittances towards share subscription amounting to ₹8,71,20,018.82/- to the Regional Office of Reserve Bank of India on dates indicated as above out of which remittances amounting to ₹2,07,03,829.8/- were reported with a delay ranging from 3 days to 4 months 13 days approximately. Whereas in terms of Paragraph 9 (1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures in accordance with these Regulations should report to the Reserve Bank of India as per the prescribed procedure not later than 30 days from the date of receipt of the amount of consideration.

c. The company allotted equity shares and filed form FC-GPRs as indicated below:

SN	Name of Investor	Date of allotment of Equity shares	Number of Equity shares allotted	Amount for which Equity shares allotted (INR)	Date of reporting
1	Satya Prasad Tummala	30.04.2015	65881	658810	23.12.2015
2	Prasad Family LP		87136	871360	
3	Swarupa Kancherla	03.06.2015	204458	2044580	03.12.2015



Compounding of contraventions under FEMA 1999
M/s. IVIS International Private Limited
CA No HYD 249

4	Vamsi Krishna Kancherla		204458	2044580	
5	Gurru Family Partnership Ltd		215166	2151660	
6	Scott Sanford		95311	953110	
7	Sreehari Patibandla		238264	2382640	
8	Manohar Radha Angirekula		176073	1760730	
9	Syam Vemulapalli		160293	1602930	
10	Raja Family Limited Partnership	08.08.2015	512499	5124990	11.12.2015
11	Katta LLC		69591	695910	
12	RAVK LTD	08.01.2016	2264346	22643460	24.02.2016
13	Vijay Adimoolam	15.02.2016	62056	620560	14.03.2016
14	Suresh Prasad	15.04.2016	28977	869310	27.06.2016
15	Sreehari Patibandla		79542	2386260	
16	Satya Prasad Tummala		21981	659430	
17	Vamsi Krishna Kancherla	17.04.2016	68726	2061780	17.09.2016
18	Gurru Family Partnership Ltd		71451	2143530	
19	Swarupa Kancherla		68716	2061480	
20	Manohar Radha Angirekula	18.04.2016	59072	1772160	27.06.2016
21	Syam Vemulapalli		53857	1615710	



22	Scott Sanford		31712	951360	
23	Usha R Kurra		170887	5126610	
24	Vijay Adimoolam	07.05.2016	20603	618090	27.06.2016
25	Katta LLC		24228	726840	
26	RAVK LTD	11.06.2016	752396	22571880	29.06.2016
		Total	5807680	8,71,19,760/-	

The applicant filed form FC-GPRs for the allotment of shares amounting to ₹8,71,19,760/- as indicated above out of which shares amounting to ₹6,39,27,320/- were reported with delays ranging from 21 days to 6 months 24 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 FC-GPR 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/1149/14.66.003/2017-18 dated December 28, 2017 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 02, 2018 during which Shri. Murali Rachapoodi, CEO 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 due to their administrative delays but was not wilful or with malafide intention. 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 as 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)(A) of Schedule 1 to Notification No. FEMA 20/2000-RB for delay in submission of Advance Reporting Form to Reserve Bank of India after receipt of inward remittance from a person resident outside India and the contravention relates to an amount of ₹2,07,03,829.8/- with delays ranging from 3 days to 4 months 13 days approximately.

(b) Paragraph 9 (1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB for delay in submission of Form FC-GPR to Reserve Bank of India after issue of equity shares to persons resident outside India and the contravention relates to an amount of ₹6,39,27,320/- with delays ranging from 21 days to 6 months 24 days approximately.

5. It has been declared in the compounding application dated 20.09.2017 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 20.09.2017 furnished with the compounding application that the applicant was not under any investigation 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 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 ₹45,065/- (Rupees Forty Five Thousand Sixty Five Only) will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions Paragraph 9(1)(A) and 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 ₹45,065/- (Rupees Forty Five Thousand Sixty Five 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, Rule10 of the Foreign Exchange (Compounding Proceedings) Rules, 2000 dated May 3, 2000 shall apply.

The application is disposed accordingly.

Dated this 05th day of January 2018

Sd/-

(R. Subramanian)
Regional Director