



In the

Reserve Bank of India
Foreign Exchange Department
Mumbai Regional Office
Main Building, 3rd floor
Shahid Bhagat Singh Marg, Fort
Mumbai 400 001

Present

Shri J. K. Pandey
Chief General Manager

Date: April 16, 2018

C.A. No. 733/2017

In the matter of

WorleyParsons Engineering Private Limited
5th Floor, B-Wing, I-Think Techno Campus
Off Pokhran Road No. 2,
Thane (West) – 400 067

(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 thereunder, I pass the following

Order

1. The applicant has filed the compounding application dated November 17, 2017 (received at the Reserve Bank of India on December 14, 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) neither the equity instruments were issued nor the money refunded to the foreign investor, a person resident outside India within 180 days of the receipt of the inward remittance & (ii) delay in reporting receipt of foreign inward remittance towards subscription to equity in terms of



paragraphs 8 & 9 (1) (A) 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 May 3, 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: The applicant company was originally incorporated on January 2, 1995 under the Companies Act, 1956 as Kripalaney & Associates (Engineering) Private Limited. The name of company was changed to WorleyParsons Kirpalaney Engineering Pvt. Ltd. on November 17, 2006. The name of company was again changed to WorleyParsons Engineering Pvt. Ltd. on April 16, 2009. Its main activities are to carry on the business as consultants and advisers in all branches of engineering such as petroleum, chemical, nuclear, mechanical, instrumentation, electrical, civil, structural, architectural, metallurgical, environmental, geological, aeronautical, hydraulic, mining, surveying, computer programming, electronic and all other engineering specialties and related activities for (i) Chemical, petro- chemical, fertilizer, pharmaceutical, pesticides, textile, food processing and other industrial and manufacturing works, (ii) Extraction, transportation and refining of oil and natural gas, (iii) Fossil fuel and nuclear powered generating stations, nuclear reactor installations for non-generation of power and nuclear related plants, diesel generating stations and other generating plants for electrical power and transmission of electrical power (iv) The development of natural water resources for hydroelectric power, irrigation and flood control (v) The development power from solar, wind, geothermal, tidal, ocean thermal gradient and other natural sources of energies, (vi) Mining, processing of minerals, reduction and refining of ores to metals and alloys, (vii) Docks, harbour and soil conversation works (viii) Work required by utilities, municipal services and public works including dams and reservoirs for water supply, filtration treatment and disposal of sewage, collection and disposal of refuse, roads, railways and bridges, housing complexes and all associated works. (ix) Communication systems of all kinds.



3. The applicant received foreign inward remittance from Worley Arabia Company Ltd., Dubai (Sr. No. 1 to 2) and WorleyParsons Financial Services Pty. Ltd, Sydney (Sr. No. 3 to 5) towards equity / preference share capital and reported the same to the Reserve Bank of India as indicated below.

No.	Amount in INR	Date of receipt	Date of reporting
1	3,970,466	24/10/2008	07/10/2010
2	5,770,167	24/12/2008	07/10/2010
3	12,075,000	14/01/2009	07/10/2010
4	15,000,000	15/05/2009	07/10/2010
5	15,000,000	04/06/2009	07/10/2010
Total	51,815,633		

The applicant reported receipt of remittances to the Reserve Bank of India on dates indicated above with a delay ranging from 1 year 3 months 3 days to 1 year 10 months 14 days approximately, in respect of remittance recorded at serial no. 1 to 5 above, beyond the stipulated time of 30 days. 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.

4. In respect of remittances amounting to Rs.5,18,15,633/- (Rupees Five Crore Eighteen Lakh Fifteen Thousand Six Hundred Thirty Three only), at para 3 above, the company refunded the amount after 180 days of receipt of investment with a delay ranging from 3 years 1 months 16 days to 3 years 7 months 22 days approximately. Whereas in terms of paragraph 8 of Schedule 1 to Notification No. FEMA 20/2000-RB, if the shares are not issued within 180 days from the date of receipt of the inward remittance, the amount of consideration so received shall be refunded to the person concerned, provided the Reserve Bank may, on an application made to it and for sufficient reasons permit to refund the amount of consideration received towards issue of security, if such amount is outstanding beyond a period of 180 days from the date of receipt. The amendment in paragraph 8 of Schedule 1 to Notification No. FEMA 20/2000-RB was introduced by issue of



Foreign Exchange Management (Transfer or Issue of security by A person resident outside India) (Third Amendment) Regulations, 2007 notified, vide Notification No. FEMA 170/2007-RB dated 13th November, 2007, in the official Gazette of the Government of India.

5. The applicant was given an opportunity for personal hearing vide e-mail dated April 4, 2018, for further submission in person and/or for producing documents, if any, in support of the application. The applicant appeared for personal hearing on April 6, 2018, during which Shri Sandeep Singh, Head of GDC- Finance & Governance and Ms. Mitali Pakle, Associate Director represented the applicant in the cabin of Shri J. K. Pandey, Chief General Manager, Mumbai Regional Office. The representatives of the applicant admitted the contraventions for which compounding has been sought. During the hearing it was submitted that delay was inadvertent and unintentional. The representatives of the applicant requested that in view of the foregoing a lenient view may be taken 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 other documents and submissions made in this context by the applicant during personal hearing and thereafter.

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

(a) Paragraph 8 of Schedule 1 to Notification No. FEMA 20/2000-RB since the shares were not issued to the person resident outside India within 180 days from the date of receipt of the inward remittance/share application nor refunded to the person resident outside India within 180 days from the date of receipt of the inward remittance. The contravention relates to an amount of Rs.5,18,15,633/- (Rupees Five Crore Eighteen Lakh Fifteen Thousand Six Hundred Thirty Three only) with a delay ranging from 3 years 1 months 16 days to 3 years 7 months 22 days approximately.



(b) Paragraph 9 (1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in reporting of receipt of foreign inward remittance towards subscription of shares as detailed in paragraph 3 above. The contravention relates to an amount of Rs.5,18,15,633/- (Rupees Five Crore Eighteen Lakh Fifteen Thousand Six Hundred Thirty Three only) and with a delay ranging from 1 year 3 months 3 days to 1 year 10 months 14 days approximately.

7. It has been declared in the compounding application dated November 17, 2017, that the particulars given by the applicant in the application are true and correct to the best of their/his/her knowledge and belief. It has been declared in the declaration dated April 5, 2018, 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/him/her 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.

8. 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 contraventions are to be compounded and I consider that an amount of Rs.6,38,306.- (Rupees Six Lakh Thirty Eight Thousand Three Hundred Six only) will meet the ends of justice.

9. Accordingly, I compound the admitted contravention namely, the contraventions of Paragraph 8 and 9(1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB by the applicant on the facts discussed above in terms of the Foreign



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WorleyParsons Engineering Private Limited
MUM 733

Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of Rs.6,38,306/- (Rupees Six Lakh Thirty Eight Thousand Three Hundred Six only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Mumbai Regional Office, Main Building, 3rd floor, Shahid Bhagat Singh Marg, 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.

10. The above order is passed only in respect of contraventions of paragraph 8 and 9(1) (A) of Schedule I to Notification No. FEMA 20/2000-RB and does not restrict the right of any other authority to proceed against the Company for any other violations/contraventions noticed at any point of time.

The application is disposed of accordingly.

Dated: April 16, 2018.

Compounding Authority

Sd/-

(J. K. Pandey)
Chief General Manager