



In the

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

Present

C. Nageswara Rao
Deputy General Manager

Date: April 26, 2018
C.A. HYD 294

In the matter of

M/s. Omullane India Solutions Private Limited
6-3-569/1/7/3, Rockdale Compound, Somajiguda
Hyderabad – 500082
Telangana

(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 March 05, 2018 and received on March 07, 2018 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 towards subscription to equity 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



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Notification No. FEMA.20/2000-RB dated 3rd May 2000 as applicable in the extant case (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 10.11.2015 (CIN:U74120TG2015PTC101664). The company is engaged in the business of providing Human resources through recruitment and management of human resources functions.
- b. The applicant had received foreign inward remittances from a single foreign investor 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	M/s.Omullane Investments Pty Ltd	140000	07-01-2016	19-05-2016
2	M/s.Omullane Investments Pty Ltd	489618.80	03-05-2016	22-07-2016
3	M/s.Omullane Investments Pty Ltd	479439.20	06-05-2016	22-07-2016
	Total	11,09,058		

The applicant reported receipt of remittances towards share subscription amounting to ₹11,09,058/- to the Regional Office of Reserve Bank of India on dates indicated as above with delays ranging from 1 month 16 days to 3 months 12 days approximately beyond the prescribed limit. 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



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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:

Sl. No	Name of investor	Date of allotment of shares	Number of shares allotted	Amount for which shares allotted (INR)	Date of reporting
1	M/s.Omullane Investments Pty Ltd	28-01-2016	14000	140000	04-07-2016
2	M/s.Omullane Investments Pty Ltd	04-07-2016	96905	969050	04-08-2016
		Total	110905	11,09,050	

The applicant filed form FC-GPRs for the allotment of shares amounting to ₹11,09,050/- as indicated above and the same were reported with delays ranging from 1 day to 4 months 7 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 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/1755/14.66.003/2017-18 dated April 12, 2018 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant appeared for personal hearing on April 24, 2018 during which Shri. Krishna Sandeep Mandella, Accounts Manager and Shri. Krishna Chaitanya



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Janga, Chartered Accountant represented the applicant. The authorized representatives 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 reasons 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 ₹11,09,058/- with delays ranging from 1 month 16 days to 3 months 12 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 ₹11,09,050/- with delays ranging from 1 day to 4 months 7 days approximately.

5. 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



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and I consider that an amount of **₹21,170/- (Rupees Twenty One Thousand One Hundred Seventy Only)** will meet the ends of justice.

6. 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 **₹21,170/- (Rupees Twenty One Thousand One Hundred and 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 26th day of April 2018

Sd/-

(C. Nageswara Rao)
Deputy General Manager