



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

S. Prabhakar
General Manager

Date: September 18, 2018

C.A. No. 766/2018

In the matter of

YWA Human Resources Private Limited
A-213, 2nd Floor,
Hind Saurashtra Industrial Estate,
Marol Naka, Andheri Kurla Road,
Mumbai- 400 059

(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 April 20, 2018 (received at the Reserve Bank of India on April 25, 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 remittance towards subscription to equity and (ii) delay in submission of Form FC-GPR to the Reserve



Bank 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 May 3, 2000 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 incorporated on October 09, 2014, under the Companies Act, 2013, as YWA Human Resources Private Limited. Its main activities are (i) to carry on the business of providing Manpower placement, and act as human resource managers, consultants, advisors, develop human resources related tools, products programs and works. (ii) to carry on business of manpower consultants and advisors to Individuals, bodies corporate, societies, under takings, institutions, associations, government, local authorities for the recruitment of management of managerial personnel and others relating to the administration, organization, production, storage and marketing sales and management of industry and business and to carry on the business of industrial and business consultants.

3. The applicant received foreign inward remittances from Jung Wook Ro, South Korea towards equity / preference share capital and reported the same to the Reserve Bank of India as indicated in the table.

Sr. No.	Amount received in INR	Date of receipt	Date of reporting	Delay
1	18,31,587.36	14-11-2014	02-06-2015	5M 19D
2	3,34,363.52	29-01-2015	02-06-2015	3M 4D
3	31,40,175.80	12-02-2015	02-06-2015	2M 21D
4	7,45,081.70	16-03-2015	10-06-2016	1Y 1M 25D
5	28,59,500.00	19-08-2016	21-10-2016	1M 2D
6	17,85,240.00	31-08-2016	27-09-2016	No
7	18,94,500.00	26-04-2017	13-05-2017	No
Total	1,25,90,448.38			

The applicant reported receipt of remittances to the Reserve Bank of India with a delay ranging from 01 Month 02 days to 01 Year 01 Month 25 Days, approximately,



in respect of remittances listed at serial no. 01 to 05 above. 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 foreign inward remittances 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. The company allotted equity shares/preference shares/convertible preference shares and filed FC-GPR as indicated below:

Sr. No.	No. of shares	FV in INR	Premium in INR	Amount involved in INR	Date of allotment	Date of filing	Delay
1	9700	10	0	97,000.00	12-12-2014	08-09-2016	1Y 7M 28D
2	173458	10	0	17,34,580.00	12-12-2014	08-09-2016	1Y 7M 28D
3	33436	10	0	3,34,360.00	25-02-2015	23-09-2016	1Y 5M 30D
4	314017	10	0	31,40,170.00	02-03-2015	23-09-2016	1Y 5M 22D
5	74508	10	0	7,45,080.00	01-08-2015	19-07-2017	1Y 10M 18D
6	285950	10	0	28,59,500.00	17-10-2016	03-11-2016	No
7	178524	10	0	17,85,240.00	28-10-2016	17-01-2017	1M 20D
8	189450	10	0	18,94,500.00	13-05-2017	31-08-2017	2M 19D
	Total			1,25,90,430.00			

The applicant filed form FC-GPR as indicated at serial No. 01 to 05, 07 & 08 above with a delay ranging from 01 Month 20 Days to 01 Year 10 Months 18 Days, approximately. 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.

5. The applicant was given an opportunity for personal hearing vide e-mail dated August 29, 2018, for further submission in person and/or producing documents, if any, in support of the application. The applicant appeared for the personal hearing on September 03, 2018, during which Shri Shankar Jadhav, Managing Director and Shri Umesh Joshi, practicing company secretary, represented the applicant in the



cabin of Shri S Prabhakar, General Manager, Mumbai regional Office. The representatives of the applicant admitted the contraventions for which compounding has been sought. During the personal hearing, it was submitted that the delay was inadvertent and unintentional. They requested that in view thereof, the matter may be viewed leniently. 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 submitted along with the application.

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 9 (1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in reporting of receipt of foreign inward remittances towards subscription to equity as detailed in paragraph no.3 above. The contravention relates to an amount of Rs.89,10,708.38 (Rupees Eighty-Nine Lakh Ten Thousand Seven Hundred Eight and Thirty-Eight Paise Only) and the delay ranging from 01 Month 02 Days to 01 Year 01 Months 25 Days, approximately.

(b) Paragraph 9 (1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in submission of Form FC-GPR to the Reserve Bank of India after issue of shares to persons resident outside India as detailed in para 4 above. The contravention relates to an amount of Rs.97,30,930.00 (Rupees Ninety-Seven Lakh Thirty Thousand Nine Hundred Thirty Only) and the delay ranging from 01 Month 20 Days to 01 Year 10 Months 18 Days, approximately.

7. It has been declared in the compounding application dated April 20, 2018, 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 further been stated in the declaration dated April 20, 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.37,865/- (Rupees Thirty Seven Thousand Eight Hundred Sixty Five Only) will meet the ends of justice.

9. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9(1) (A) and 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB by the applicant as stated above on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of Rs.37,865/- (Rupees Thirty Seven Thousand Eight Hundred Sixty Five 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.



FED, MRO, CEFA
YWA Human Resources Private Limited
C.A. No. MUM766/2018

10. The above order is passed only in respect of contraventions of para 9(1)(A) and 9(1)(B) of Schedule 1 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: September 18, 2018.

Compounding Authority

Sd/-
(S Prabhakar)
General Manager