



In the

RESERVE BANK OF INDIA  
Foreign Exchange Department  
Central Vista, Sector 17, P.B.No.2  
Chandigarh-160017

Present

**Smt. Rachna Dikshit**  
**Regional Director**

**Date: July 27, 2018**  
CA No CHA 21/2018

In the matter of

**Angular Technologies Pvt. Ltd.**  
693, 1<sup>st</sup> floor, sector 20A  
Near Jama Masjid  
Chandigarh-160020

**(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 there under, I pass the following

**Order**

The applicant has filed a compounding application dated June 25, 2018 (received at the Reserve Bank on June 26, 2018) for compounding of contraventions of the provisions of



the Foreign Exchange Management Act, 1999 (The FEMA) and the regulations issued there under. The contraventions sought to be compounded pertain to (i) delay in reporting of inward remittance against issue of equity shares(ii) delay in submission of FC-GPR to the Reserve Bank after issue of shares which are in contravention of Para 9(1) (A) and Para 9(1) (B) of schedule I to Foreign Exchange Management (Transfer or issue of Security by a person Resident Outside India) Regulation, 2000 notified vide Notification No. 20/2000RB 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, Angular Technologies Private Limited is a private Limited company incorporated on November 22, 2013 under the Companies Act 2013. The applicant is engaged in the business of developing, importing, exporting computer software and providing software, web designing and web hosting etc.

3. The applicant company received foreign inward remittances towards investment in equity shares from non-residents as under:

<b>S. No</b>	<b>Date of inflow</b>	<b>Amount</b>	<b>Date of reporting to RBI</b>	<b>Delay beyond 30 days</b>
1	07.07.2015	6281000.00	01.09.2016	392
2	31.07.2015	9532500.00	10.10.2016	407
3	31.07.2015	9532500.00	10.10.2016	407
4	31.08.2015	6573000.00	01.03.2016	153
5	24.09.2015	206619.38	01.03.2016	129
6	06.10.2015	321.4	01.03.2016	117
7	07.07.2015	2942805.52	01.03.2016	208
8	06.10.2015	321.4	01.03.2016	117
9	24.09.2015	206619.38	01.03.2016	129

The above remittance was not reported to Reserve Bank of India within the prescribed time period. The applicant reported the receipt of remittances to Reserve Bank of India



**with delay ranging from 117 days to 407 days**, in contravention of Para 9(1) (A) of Schedule 1 to Notification No.FEMA 20/2000RB dated May 3, 2000, in terms of which an

Indian company issuing shares 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. Against the above remittances the applicant company issued shares and reported the same to RBI as under:

S. No	Date of inflow	Amount received	Amount of share issued	Shares issued on	Date of reporting to RBI	Delay beyond 30 days
1	07.07.2015	6281000.00	6281001.00	04.09.2015	01.03.2016	149
2	31.07.2015	9532500.00	19064996.70	28.09.2015	29.01.2018	824
3	31.07.2015	9532500.00				
4	31.08.2015	6573000.00	6573000.00	26.10.2015	01.03.2016	97
5	24.09.2015	206619.38	3149740.35	08.10.2015	03.03.2016	117
6	06.10.2015	321.4				
7	07.07.2015	2942805.52				
8	06.10.2015	321.4				
9	24.09.2015	206619.38	3158635.24	03.07.2015	03.03.2016	214
10	18.05.2015	2951707.50				

The applicant reported the allotment of shares to Reserve Bank with delay ranging **from 97 to 824 days**. The delay in reporting to Reserve Bank of India in form FCGPR, beyond the prescribed period in respect of allotment of the above shares is in contravention of paragraph 9(1) (B) of Schedule 1 to FEMA Notification No.20/2000RB dated May 3, 2000,in terms of which 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 therein within 30 days from the date of issue of shares to a person resident outside India.



5. The applicant was given an opportunity for personal hearing vide letter No.CHD.FE.CG/FID/5/03.01.470/2018-19 dated July 03, 2018 for submission in person and/or producing documents, if any, in support of the application. The company did not approach for appointment of the personal hearing within the stipulated period of seven days from receipt of the letter. The application is, therefore, disposed off ex-parte and is considered on the basis of the averments made in the application, and documents produced.

6. It has been declared in the compounding application dated June 25, 2018 that the particulars given by the applicant in the application were true and correct to the best of their/his/her knowledge and belief. It has been declared in the declaration dated June 25, 2018 furnished with the compounding application 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. 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.

7. I have given my careful consideration to the documents on record and submissions made by the applicant. Accordingly, I hold that the applicant has contravened the following FEMA provisions:

- a. Paragraph 9 (1) (A) of schedule 1 to Notification No. FEMA 20/2000-RB due to delay in reporting of receipt of foreign inward remittance towards subscription to equity as detailed in paragraph 3 above. The contravention relates to an amount of **Rs 3,52,75,687.08 with delay ranging from 117 days to 407 days.**
- b. Paragraph 9 (1) (B) of schedule 1 to Notification No. FEMA 20/2000-RB due to



delay in submission of Form FCGPR to Reserve Bank after issue of shares to persons resident outside India as detailed in paragraph 4 above. The contravention relates to an amount of **Rs 3,82,27,394.58 with delay ranging from 97 to 824 days.**

8. In terms of Section 13 of 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 per applicant's submissions, 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 **Rs.1,75,270.00 (One lakh Seventy Five Thousand Two hundred Seventy only)** will meet the ends of justice.

9. Accordingly, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, I compound the admitted contraventions committed by the applicant namely, Para 9(1) (A) and Para 9(1) (B) of schedule I to Foreign Exchange Management (Transfer or issue of Security by a person Resident Outside India) Regulation, 2000 notified vide Notification No. 20/2000RB dated May 3, 2000 read with AP(Dir Series) Circular No 73 dated June 8, 2007 on the facts discussed above, on payment of an amount of **Rs. 1,75,270.00 (One lakh Seventy Five Thousand Two hundred Seventy only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Central Vista, Sector 17, Chandigarh-160017 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at "Chandigarh" **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 of accordingly.

Dated this the 27<sup>th</sup> day of July 2018.

Sd/-



M/s Angular Technologies Pvt. Ltd.  
CA No. CHA 21/ 2018

**(Rachna Dikshit)**  
Regional Director