



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
11th floor, Central Office Building
Shahid Bhagat Singh Road
Mumbai - 400 001

Present

Pawanjeet Kaur Rishi
Assistant General Manager

Date: June 15, 2017
CA No 4260 / 2016

In the matter of

Skills Soft Interactive Solutions
WB-137A, Shakarpur, Delhi - 110092

(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 compounding application dated December 14, 2016 was received in the Reserve Bank on December 29, 2016 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued there under. The contravention sought to be compounded is regarding investment in firm or proprietary concern in India by a person resident outside India. The above amounts to the contravention of Regulation 3 of FEMA 24 of Foreign Exchange Management (Investment in Firms or Proprietary concern in India) notified vide Notification No. FEMA 24/2000-RB dated May 3, 2000 and as amended from time to time (hereinafter referred to as Notification No. FEMA 24/2000-RB).



2. The resident company incorporated on March 10, 2012 is engaged in the development and sale of system software and providing consultancy on web related business. An investment of USD 5000 by Phillipe Laurent, Switzerland was received as capital in M/s Skillsoft Interactive Solution.

3. Regulation 3 of Notification No.FEMA.24/2000-RB dated May 03, 2000 as amended from time to time states that "Save as otherwise provided in the Act or rules or regulations made or directions or orders issued thereunder, no person resident outside India shall make any investment by way of contribution to the capital of a firm or a proprietary concern or any association of persons in India".

4. An opportunity for personal hearing vide letter No. FE.CO.CEFA/10087/15.20.67/2016-17 dated April 10, 2017 was given for further submission in person and/or producing documents, if any, in support of the application. The personal hearing was held on April 27, 2017, during which Mr.Vipin Aggarwal, the partner in the company was present. He submitted that the company had inadvertently failed to comply with the FEMA regulations due to ignorance and requested that a lenient view may be taken in the matter. The application is, therefore, being considered on the basis of the averments made in the application, the documents produced and submissions made during the personal hearing.

5. I have given my careful consideration to the documents on record and submissions made during the personal hearing. It was observed that the company has contravened the provisions of Regulation 3 of FEMA 24/2000-RB dated May 3, 2000 as amended from time to time. The amount and period of contravention is as follows:

Regulation 3 of Notification No.FEMA.24/2000-RB – Amount of contravention – USD 5000 (INR 336800) and Period of contravention – 8 months approximately.

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. After considering the submissions made by the applicant and the entire facts and circumstances of the case I am persuaded to take a lenient view on the amount for which the contravention is



to be compounded and it stands to reason that payment of an amount of Rs. 51,684/- (Rupees fifty one thousand six hundred and eighty four only) will meet the ends of justice in the circumstances of this case.

7. Accordingly, I compound, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 the admitted contravention committed by the applicant namely, Regulation 3 of Notification No.FEMA.24/2000-RB dated May 3, 2000, as amended from time to time, on payment of a sum of Rs. 51,684/- (Rupees fifty one thousand six hundred and eighty four only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 5th Floor, Amar Building, 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.

The application is disposed accordingly.

Dated this the fifteenth day of June, 2017

Sd/-

(Pawanjeet Kaur Rishi)
Assistant General Manager