



In the  
**Reserve Bank of India**  
Foreign Exchange Department  
Pandit Jawaharlal Nehru Marg  
Bhubaneswar-751 001

Present

**Shri G.C.Obanna**  
**General Manager**  
**Compounding Authority**

Date: May 22, 2017  
C.A. No. BHU13/2017

In the matter of

**M/s. Signure Technologies Private Limited**  
Adhikari Niwas, 4<sup>th</sup> Lane,  
Baikuntha Nagar, Berhampur, Odisha-760004  
**(Applicant)**

In exercise of the powers under Section 15 (1) of the Foreign Exchange Management Act, 1999 and the Regulations/Rules/Notifications/Orders made thereunder, I pass the following

**Order**

The applicant has filed a compounding application dated April 21, 2017 received at Reserve Bank on April 27, 2017 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contravention sought to be compounded is delay in reporting receipt of foreign inward remittances towards subscription to equity in terms of paragraph 9(1)(A) of Schedule I 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) read with A.P. (DIR Series) Circular No.20 dated December 14, 2007.

2. The relevant facts of the case are as follows: The applicant was incorporated on November 27, 2007 under the Companies Act, 1956 and deals in information technology and computer service activities. The applicant received inward remittances from foreign investors under automatic route and reported the same to Reserve Bank of India as indicated below:



| Sl. No. | Amount of Foreign Inward Remittance | Receipt Date | Reporting Date to RBI |
|---------|-------------------------------------|--------------|-----------------------|
| 1       | ₹ 13,04,200                         | 16.09.2016   | 09.11.2016            |
| 2       | ₹ 12,95,400                         | 05.10.2016   | 09.11.2016            |
| 3       | ₹ 16,14,750                         | 04.10.2016   | 09.11.2016            |
| 4       | ₹ 13,04,200                         | 16.09.2016   | 09.11.2016            |
| 5       | ₹ 12,95,400                         | 05.10.2016   | 09.11.2016            |
| 6       | ₹ 13,04,200                         | 16.09.2016   | 08.12.2016            |

The applicant reported receipt of remittances to the Reserve Bank on dates indicated above and with delay ranging from 06 to 54 days approximately beyond the stipulated time of 30 days. Whereas, in terms of para 9 (1) A of Schedule I to Notification No. FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures in accordance with these Regulations should report receipt of 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.

3. The applicant was given an opportunity for personal hearing vide the Reserve Bank's letter FED (Bhu) No.443/08.02.238/2016-17 dated May 09, 2017 for further submission in person and/or producing documents, if any, in support of the application. However, the applicant, vide its e-mail dated May 20, 2017, opted out from appearing in personal hearing stating that they have already submitted the reasons for delay in reporting in their application. The applicant, in its compounding application has attributed the delay to obtaining of the FIRC and KYC documents from the AD bank. The application for compounding is, therefore, being considered on the basis of the averments made in the application.

4. I have given my careful consideration to the documents on record and submission made by the applicant in the compounding application. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of para 9 (1) A of Schedule 1 to Notification No. FEMA 20/2000-RB due to delay in reporting of receipt of inward remittances towards subscription of equity shares as detailed in para 2 above. The contravention relates to an amount of ₹ 81,18,150.00 and the duration ranging from 06 to 54 days approximately.

5. In terms of Section 13 of the FEMA, 1999 if any person contravening any provision of the Act, or contravenes any rule, regulation, notification, direction or order issued in exercise of the powers under this Act, or contravenes any condition subject to which an



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authorization is issued by the Reserve Bank, he, upon adjudication, shall be liable to a penalty up to thrice the sum involved in such contravention. However, taking into account the relevant facts and circumstances of the case as stated in the foregoing paras, I am of the view that an amount of ₹ 25,000/- (Rupees twenty five thousand only) will meet the ends of justice.

6. Accordingly, I compound the admitted contraventions namely, the contraventions of para 9(1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000 read with AP (DIR Series) Circular No.20 dated December 14, 2007 by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of ₹ 25,000/- (Rupees twenty five thousand only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Bhubaneswar by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Bhubaneswar 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 22<sup>nd</sup> day of May, 2017.

Sd/-

(G.C. Obanna)  
General Manager