



In the

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

Present

R. Subramanian
Regional Director

Date: June 19, 2017
C.A. HYD 201

In the matter of

M/s. Resource Solutions India Private Limited
3rd Floor, Plot No.168, Kavuri Hills
Phase 2, Madhapur,
Hyderabad - 500081
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 14, 2017 for compounding of contraventions of the provision 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 after issue of shares towards subscription to equity to a person resident outside India in terms of Paragraph 9(1)(A) and Paragraph 9 (1) (B) of Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000 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 3rd May 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:

a) The applicant is a resident company incorporated as a Private Limited company under the Companies Act, 1956 on 19.11.2015. The company is engaged in the activities of employment, placement agencies, onsite support for clients and administrative services.

b) The applicant company had received foreign inward remittances from overseas investors 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	Resource Solutions Consulting Singapore Pte	10	15.03.2016	28.03.2016
2	Robert Walters Holding Limited	99,990	18.03.2016	16.05.2016
3	Robert Walters Holding Limited	2,50,00,008	21.04.2016	19.05.2016
4	Robert Walters Holding Limited	1,00,00,008	01.09.2016	29.09.2016
5	Robert Walters Holding Limited	50,00,004	18.11.2016	16.12.2016
	Total	4,01,00,020		

The applicant reported receipt of remittances towards share subscription amounting to ₹ 4,01,00,020/- to the Regional Office of Reserve Bank of India and remittance amounting to ₹ 99,990/- was reported with a delay of 29 days as indicated 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 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 (INR)	Date of reporting
1.	Resource Solutions Consulting Singapore Pte	15.03.2016	1	10	19.05.2016
2	Robert Walters Holding Limited	18.03.2016	9999	99990	13.06.2016
3	Robert Walters Holding Limited	29.04.2016	2083334	25000008	30.06.2016
4	Robert Walters Holding Limited	08.10.2016	833334	10000008	29.10.2016
5	Robert Walters Holding Limited	21.12.2016	416667	5000004	09.01.2017
	Total			4,01,00,020	

The applicant filed Form FC-GPRs for the allotment of shares amounting to ₹ 2,51,00,008 /- as indicated above with delays ranging from 1 month 1 day to 1 month 26 days approximately beyond the stipulated period of 30 days. 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/2577/14.66.003/2016-17 dated June 02, 2017 for further submission in person and/or producing documents, if any, in support of the application.



(b) The applicant appeared for personal hearing on 06.06.2017 during which Smt Vanaja Kaleru, Shri Surya Prakash Perumalla, Practicing Company Secretaries and Shri Santhosh Mudugal, Finance Manager of the Company represented the applicant. During the personal hearing and subsequently vide their letter dated 08.06.2017, the representatives of the company submitted that the delay in filing the documents was beyond their control and was not intentional.

4. I have given my careful consideration to the documents on record and submission made by the applicant during the personal hearing. 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.20/2000-RB for delay in reporting of inward remittances towards subscription to equity shares as above. The contraventions relate to an amount of ₹ 99,990/- and the duration of the contravention is 29 days approximately.

(b) Paragraph 9 (1) (B) of Schedule 1 to Notification No. 20/2000-RB for delay in submission of Form FC-GPR to Reserve Bank after issue of shares to persons resident outside India and the contravention relates to an amount of ₹ 2,51,00,008/- with delays ranging from 1 month 1 day to 1 month 26 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 upto 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 and I consider that an amount of ₹ 28,920/- (Rupees Twenty Eight Thousand Nine Hundred Twenty Only) will meet the ends of justice.

6. Accordingly, I compound the admitted contraventions, namely, the contraventions of 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 of contraventions under FEMA 1999
M/s Resource Solutions India Private Limited
CA No HYD 201

(Compounding Proceedings) Rules, 2000 on payment of an amount of ₹ 28,920/- (Rupees Twenty Eight Thousand Nine Hundred Twenty 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 19th day of June, 2017

Sd/-

(R. Subramanian)
Regional Director