



In the  
Reserve Bank of India  
Foreign Exchange Department  
Ahmedabad-380009

Present  
D B Singh  
Deputy General Manager

July 6, 2017  
CEFA.CO.ID.7992 /C.A.No. AHM- 79 /2017-18

In the matter of

M/s NSR International Pvt. Ltd.  
(Formerly M/s NSR Technologies Pvt. Ltd.)  
7<sup>th</sup> Floor, 706-B, Sukhsagar Complex, Near Hotel Fortune, Usmanpura  
Ahmedabad - 380013  
Gujarat

**(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:

### **Order**

The applicant has filed compounding application dated March 16, 2017 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 are (i) delay beyond 30 days in reporting receipt of foreign inward remittance towards subscription to equity and (ii) delay beyond 30 days 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 3<sup>rd</sup> 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: The applicant company was incorporated and named as N S R Technologies Pvt. Ltd. on November 5, 2012 under the provisions of the Companies Act, 1956 the name of the company was changed to N S R International Pvt. Ltd. on March 6, 2014 and the company is engaged in software development and support services and wholesale trade. The applicant company has received total twenty one inflows amounting to ₹81,88,111/- from Foreign investors under automatic route and reported the same to Reserve Bank of India as indicated below:

**Para 9(1) (A) – Schedule 1 of Notification No. FEMA 20/2000-RB dated May 3, 2000 – Contravention Detected: (Table -1)**

Sr No	Remitter	Date of receipt	Amount of foreign inward remittance (Rs)	Date of reporting to AD bank by company	Date of reporting by AD bank to RBI	*Days delay excluding prescribed time of 30 days*
1	NSR Developments Ltd	24/12/2012	5,81,115	24/01/2013	24/01/2013	01 days
2	NSR Developments Ltd	31/01/2013	4,96,873	14/03/2013	14/03/2013	12 days
3	NSR Developments Ltd	26/09/2013	2,92,859	15/11/2013	15/11/2013	20 days



4	NSR Developments Ltd	20/08/2014	3,67,843	22/11/2014	22/11/2014	64 days
5	NSR Developments Ltd	15/11/2016	5,02,285	20/01/2017	20/01/2017	36 days
	<b>Sub Total (A)</b>		<b>22,40,975</b>			
1	NSR Developments Ltd	22-03-2013	4,86,377	10-04-2013	10-04-2013	No delay
2	NSR Developments Ltd	10-04-2013	2,69,297	08-05-2013	08-05-2013	No delay
3	NSR Developments Ltd	10-06-2013	4,60,171	20-06-2013	20-06-2013	No delay
4	NSR Developments Ltd	05-08-2013	3,69,402	12-08-2013	12-08-2013	No delay
5	NSR Developments Ltd	26-09-2014	2,94,432	14/10/2014	14/10/2014	No delay
6	NSR Developments Ltd	17-10-2013	3,88,837	15-11-2013	15-11-2013	No delay
7	NSR Developments Ltd	13-12-2013	3,00,167	10-01-2014	10-01-2014	No delay
8	NSR Developments Ltd	21-01-2014	2,99,064	06-02-2014	06-02-2014	No delay
9	NSR Developments Ltd	06-02-2014	6,02,587	18-02-2014	18-02-2014	No delay
10	NSR Developments Ltd	19-03-2014	2,99,942	03-04-2014	03-04-2014	No delay
11	NSR Developments Ltd	10-04-2014	3,99,062	06-05-2014	06-05-2014	No delay
12	NSR Developments Ltd	15-05-2014	3,91,222	02-06-2014	02-06-2014	No delay
13	NSR Developments Ltd	24-06-2014	3,02,915	11-07-2014	11-07-2014	No delay
14	NSR Developments Ltd	29-10-2014	2,92,699	14-11-2014	14-11-2014	No delay
15	NSR Developments Ltd	02-01-2015	2,90,683	15-01-2015	15-01-2015	No delay
16	NSR Developments Ltd	22-12-2016	5,00,279	20-01-2017	20-01-2017	No delay
	<b>Sub Total (C)</b>		<b>59,47,136</b>			
	<b>Grand Total (A+B+C)</b>		<b>81,88,111</b>			

\* The date for calculation of days delay under 9(1)(A) taken from date of inflow reporting by Company to AD.

The applicant reported the receipt of twenty one inward remittances, amounting to ₹81.88 lakh (₹81, 88,111/-) to the Ahmedabad Regional Office of the Reserve Bank of India. Out of which, five inflows amounting to ₹22.41 lakh (₹22,40,975/-)



were reported with the delay ranging from 1 to 64 days and sixteen inflows amounting to ₹59.47 lakh (₹59,47,136/-) were reported within stipulated period. 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.

3. The applicant allotted equity shares and filed FC-GPRs as stated below:

**Para 9(1) (B) – Schedule 1 of Notification No. FEMA 20/2000-RB dated May 3, 2000 –Contravention detected: (Table -2)**

Sr No	Name of the Foreign Investor	No of shares issued	Amount of shares (Rs)	Date of issue of shares	Date of submission of FC-GPR by company to AD	Date of submission of FC-GPR by AD bank to RBI	*Days delay excluding prescribed time of 30 days*
1	NSR Developments Ltd	38,883	3,88,830	31-12-2013	06-02-2014	06-02-2014	7
2	NSR Developments Ltd	29,285	2,92,850	31-12-2013	20-02-2014	20-02-2014	21
	NSR Developments Ltd	30,016	3,00,160	31-12-2013	20-02-2014	20-02-2014	21
3	NSR Developments Ltd	29,906	2,99,060	30-04-2014	09-06-2014	09-06-2014	10
	NSR Developments Ltd	60,258	6,02,580	30-04-2014	09-06-2014	09-06-2014	10
	NSR Developments Ltd	29,994	2,99,940	30-04-2014	09-06-2014	09-06-2014	10
4	NSR Developments Ltd	50,228	5,02,280	31-01-2017	09-03-2017	14-03-2017	7
	NSR Developments Ltd	50,028	5,00,280	31-01-2017	09-03-2017	14-03-2017	7
	<b>Sub Total</b>	<b>3,18,598</b>	<b>31,85,980</b>				
5	NSR Developments Ltd	58,111	5,81,110	15-06-2013	25-06-2013	25-06-2013	No delay
	NSR Developments Ltd	49,687	4,96,870	15-06-2013	25-06-2013	25-06-2013	No delay
	NSR Developments Ltd	48,637	4,86,370	15-06-2013	25-06-2013	25-06-2013	No delay
	NSR Developments Ltd	26,929	2,69,290	15-06-2013	25-06-2013	25-06-2013	No delay
6	NSR Developments Ltd	46,017	4,60,170	18-10-2013	24-10-2013	24-10-2013	No delay



	NSR Developments Ltd	36,940	3,69,400	18-10-2013	24-10-2013	24-10-2013	No delay
7	NSR Developments Ltd	39,906	3,99,060	31-07-2014	06-08-2014	06-08-2014	No delay
	NSR Developments Ltd	39,122	3,91,220	31-07-2014	06-08-2014	06-08-2014	No delay
8	NSR Developments Ltd	30,291	3,02,910	31-10-2014	24-11-2014	24-11-2014	No delay
	NSR Developments Ltd	36,784	3,67,840	31-10-2014	24-11-2014	24-11-2014	No delay
	NSR Developments Ltd	29,443	2,94,430	31-10-2014	24-11-2014	24-11-2014	No delay
9	NSR Developments Ltd	29,270	2,92,700	31-01-2015	02-02-2015	02-02-2015	No delay
	NSR Developments Ltd	29,068	2,90,680	31-01-2015	02-02-2015	02-02-2015	No delay
	<b>Sub Total</b>	<b>5,00,205</b>	<b>50,02,050</b>				
	<b>Total</b>	<b>8,18,803</b>	<b>81,88,030</b>				

\*For calculation of days of delay under 9(1)(B) reporting to AD is taken as reporting to RBI. Shortfall of ₹81/- ignored.

4. As indicated in the table above, the applicant has filed 09 form FC-GPRs amounting to ₹81,88,030/-. Out of 09 forms 05 form FC-GPRs were filed within stipulated period and 04 forms amounting to **₹31.86 lakh (₹31,85,980/-)** with a delay ranging from 7 to 21 days beyond the prescribed timeline 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 the Reserve Bank of India a report in form FC-GPR, along with documents prescribed therein, within 30 days from the date of issue of shares to the overseas investor.

5. The applicant was given an opportunity for personal hearing vide our letter FE.AH.No.1591/01.07.06 (A) 2016-17 dated June 20, 2017 for further submission in person and /or producing documents, if any, in support of the application. The applicant appeared for the personal hearing on June 28, 2017 during which Chartered Accountant Shri Nirav Shah (Nirav D. Shah & Company) represented the applicant. They admitted to the contraventions for which compounding has been sought and stated that the non-compliance was not intentional and was an inadvertent error on the part of the Company and they deeply regret for the delay caused and requested



to take lenient view. They also stated that they are willing to accept any direction/order of the Compounding authority in connection with their compounding application.

6. The representative of the applicant requested that in view of the foregoing, a lenient view may be taken in disposal of the application. 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 made in this context by the applicant during personal hearing and thereafter.

7. I have given my careful consideration to the documents on record and submission 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 dated May 3, 2000:** Due to delay in reporting of receipt of foreign inward remittances towards shares as detailed in paragraph 2 above. The contravention relates to ₹22.41 lakh (₹22,41,000/-) with delay of approximately 1 to 64 days beyond the stipulated time of 30 days.

**B) Paragraph 9(1) (B) of Schedule 1 of FEMA Notification FEMA 20/2000 – RB dated May 3, 2000 :** Due to delay in submission of form FC-GPR, after issue of shares to persons resident outside India as detailed in paragraph 3 above. The amount involved is ₹31.86 lakh (₹31,86,000/-) and the delay is for approximately 7 to 21 days

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 therefore, I consider that amount of penalty of ₹21,300/- (Rupees twenty one thousand three hundred only) will meet the ends of justice.

9. Accordingly, I compound the admitted contraventions, namely contravention of paragraph 9(1) (A) and 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 03, 2000, by the applicant, on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of ₹21,300/- (Rupees twenty one thousand three hundred only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, La-Gajjar Chambers, Ashram Road, Ahmedabad –380 009 by a demand draft drawn in favour of the “Reserve Bank of India” and payable at Ahmedabad 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 the 6<sup>th</sup> day of July, 2017.

Sd/-

(D B Singh)  
Deputy General Manager