



In the

RESERVE BANK OF INDIA  
Foreign Exchange Department  
Central Vista, Sector 17,  
Chandigarh-160017

Present

**Sh. Nirmal Chand**  
**Regional Director**

Date: September 21, 2017  
CA No CHA 10/2017

In the matter of

**One Business Consulting Group Pvt. Ltd.**  
5<sup>th</sup> Floor, Plot No. ITC 2 IT Park,  
Sector 67, Mohali - 160 062 (Punjab)

**(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 August 12, 2017 (received at the Reserve Bank on August 29, 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 pertain to (i) delay in reporting of inward remittance against issue of equity shares and (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) respectively of Schedule 1 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, One Business Consulting Group Pvt. Ltd. is a private Limited company duly incorporated under the Companies Act, 1956. The applicant is engaged in software development and promoting business process outsourcing etc.

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

SN	Name of the remitter	Amount of Remittance Rs.	Date of receipt	Date of reporting to RBI
1	Givy Khushwant Singh Dhaliwal, Australia	1,08,00,000.00	30-Sept-2015	21-Mar-2017
	<b>Total</b>	<b>1,08,00,000.00</b>		

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 of **508 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. The applicant company issued shares for the undermentioned remittance and reported the same to RBI as under:

S N	Name of the Investor	Date of allotment of Shares	Number of Shares allotted	Amount for which shares allotted (Rs)	Date of reporting of FC-GPR
1	Givy Khushwant Singh Dhaliwal, Australia	05-Nov-2015	1,08,000 Equity	1,08,00,000.00	26-May-2017
			<b>Total</b>	<b>1,08,00,000.00</b>	

The applicant reported the allotment of shares to Reserve Bank with delay of **538 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/238/03.01.506/2017-18 dated September 12, 2017 for further submission in person and/or producing documents, if any, in support of the application. Shri Givv K S Dhaliwal, Director, Shri Deepender Kumar, Chartered Accountant and Shri R K Awasthi of M/s One Business Consulting Group Pvt. Ltd. appeared for the personal hearing on September 21, 2017. During the personal hearing, the representatives of the applicant admitted the contraventions committed by them for which they have sought compounding. The representatives submitted that the contraventions were due to lack of awareness of the procedural requirements and were not intentional and have requested for taking a lenient view in the matter. The application is, therefore, being considered on the basis of the averments made in the application, and documents produced.

6. 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. **1,08,00,000.00** with delay of **508 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. **1,08,00,000.00** with delay of **538 days**.



7. 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 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 **Rs. 1,66,000.00 (Rupees One Lakh Sixty Six thousand 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 1 to Notification No.FEMA 20/2000RB dated May 3, 2000 on the facts discussed above, on payment of an amount of **Rs. 1,66,000.00 (Rupees One Lakh Sixty Six thousand 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 21<sup>st</sup> day of September 2017.

Sd/-

Nirmal Chand  
Regional Director