



In the

**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
6, Sansad Marg  
New Delhi-110001

Present

**K.K.Saraf**  
**Regional Director**

Date: November 13, 2017  
C.A.NDL 257/2017

In the matter of

**Onion Mobi Services Private Limited**  
A-22, Sector -35, Noida

**(Applicant)**

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

#### **Order**

The applicant has filed a compounding application dated September 8, 2017 (received in Reserve Bank of India on September 12, 2017) for compounding of contravention of the provisions of the Foreign Exchange Management Act, 1999 (hereinafter referred to as FEMA) and the regulations issued thereunder. The contravention sought to be compounded is that of delay in submission of form FC-GPR after allotment of shares in terms of Paragraph 9(1)(B) 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, as amended from time to time (hereinafter referred to as FEMA 20/2000- RB).

2. The relevant facts of the case are as follows:

- a) The applicant company was incorporated under the Companies Act, 2013 on January 28, 2016 and allotted registration No. U72300UP2016PTC076107 by



Registrar of Companies. The company is engaged in the business of software design, development and distribution including on mobile platform both for Indian and International markets.

- b) The company had allotted equity shares on 3 occasions and reported it in form FC-GPR with a delay ranging from 2 months and 20 days to 6 months and 21 days (as detailed hereunder) beyond the prescribed period in contravention of Paragraph 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000.

<b>Contravention of Para 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB</b>				
<b>S.No.</b>	<b>Date of Allotment</b>	<b>No. of Shares /CCPs Allotted</b>	<b>Amount (Rs.)</b>	<b>Date of reporting to RBI</b>
1	18.07.2016	1071066	1,07,10,660.00	11.01.2017
2	29.08.2016	1053534	1,05,35,340.00	18.04.2017
3	30.12.2016	1065852	1,06,58,520.00	18.04.2017
		<b>Total</b>	<b>3,19,04,520.00</b>	

Whereas, in terms of Paragraph 9(1)(B) of Schedule 1 to 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 a person resident outside India.

Thus, there is a contravention of Paragraph 9(1) (B) of Schedule 1 to FEMA Notification No 20 /2000-RB dated May 3, 2000.

3. The applicant company was given an opportunity for personal hearing for further submission in person and/or by producing documents, if any, in support of the application. Sh. Rohit Bansal, Manager-Accounts of the applicant company appeared for the personal hearing on November 13, 2017 on behalf of the applicant company. The representative of the applicant company admitted the contravention committed by the company for which the company has sought compounding. He stated that the company was not aware of the FEMA compliances which led to these contraventions and as such requested for a lenient view in the matter. The application for compounding is, therefore, being considered on the basis of the



averments made in the application as well as submission made in this context by the applicant company during the personal hearing.

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 Paragraph 9 (1) (B) of Schedule 1 to FEMA 20/2000-RB due to delay in filing of form FC-GPR with RBI. The contravention relates to an amount of Rs.3,19,04,520.00 and duration of contravention ranges from 2 months 20 days to 6 months and 21 days.

5. 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 I consider that an amount of **Rs.72,500.00(Rupees Seventy two thousand five hundred only)** will meet the ends of justice.

6. Accordingly, I compound the admitted contravention of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000- RB by the applicant on the facts detailed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of Rs.72,500.00 (Rupees Seventy two thousand five hundred only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 6, Sansad Marg, New Delhi-100001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at New Delhi 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 13th day of November, 2017.

Sd/-

**(K.K.Saraf)**  
**Regional Director**