



In the  
**Reserve Bank of India**  
Foreign Exchange Department  
3<sup>rd</sup> Floor  
15, Netaji Subhas Road  
Kolkata – 700 001

Present

**H. Thangzuan**  
**Chief General Manager**

Date: January 22, 2020  
C.A.124/2019

In the matter of  
**M/s SAPPERS INFOTECH PRIVATE LIMITED**  
P-55, UDAYAN INDUSTRIAL ESTATE 3,  
PAGLADANGA ROAD, KOLKATA  
WB 700015  
(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 had filed a compounding application dated September 30, 2019 (received at Reserve Bank on October 11, 2019) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions sought to be compounded is for delay in submission to the Reserve Bank of Form FC-GPR after issue of shares to a person resident outside India beyond the stipulated 30 days in terms of 9(1)(B) respectively to 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 May 03, 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, **SAPPERS INFOTECH PRIVATE LIMITED**, was incorporated under Companies Act, 1956 on March 30, 1998. The applicant is in the business of Wholesale of other basic/manufactured food stuffs n.e.c. (NIC Code 2008 - 46309).



3. The company had received the under mentioned foreign inward remittance from LIM CHIN CHEW, non-resident investor, Singapore and issued Compulsory Convertible Preference shares and reported the allotment of shares (in form FC-GPR) to the Bank with a delay beyond the stipulated period of 30 days which is a contravention in terms of Para 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 03, 2000 as detailed in Table 1:

**Table 1: Allotment of shares and reporting of FCGPR**

S. No.	Name of Investor	Inflow (INR)	Amount for which shares have been issued	Date of inflow	Date of allotment of shares	Date of reporting of allotment of shares (FCGPR) to RBI	Delay beyond 30 days, if any (days)
1	LIM CHIN CHEW	1,00,00,000 (SGD 2,06,900)	1,00,00,000	02-Jun-16	01-Aug-16	29-Jul-19	1062
		1,00,00,000					

4. The applicant was given an opportunity for personal hearing, vide Reserve Bank's letter No.KOL.FED.FID.1068/06.01.002/2019-20 dated January 07, 2020 for further submission in person and/or producing documents, if any, in support of the application. On the date of personal hearing, i.e., January 22, 2020, the applicant represented by Smt. Priyanka Agarwal (Authorized Representative) admitted the contraventions as stated in para 3 of this Order.

5. It has been declared in the compounding application dated September 30, 2019 that the particulars given by the applicant in the application are true and correct to the best of their/his/her knowledge and belief. It has been declared in the declaration furnished with the compounding application that the applicant was not under any enquiry/investigation/adjudication by any agency as on the date of the application and has, in this regard, not informed of initiation of any such enquiry/investigation/adjudication proceedings against it/him/her thereafter. It has further been declared that the applicant has not filed any appeal under section 17 or section 19 of FEMA, 1999. Accordingly, the above contraventions which are being compounded in this Order are subject to the veracity of the above



declarations made by the applicant and this order is without prejudice to any other action which may be taken by any authority under the extant laws if the said declarations are subsequently discovered to be false and/or incorrect.

6. I have given 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 provisions of paragraph 9(1)(B) of Schedule 1 of Notification No. FEMA 20/2000RB dated May 03, 2000. The total contravention relates to an amount of INR 1,00,00,000.

7. In terms of section 13 of the FEMA, any person contravening any provision of the act shall be liable for a penalty up to thrice the sum of the contravention upon adjudication. Considering the circumstances which led to the delay and other relevant facts of the case, I am, however, inclined to take a lenient view of the amount for which the contravention is to be compounded and I consider that an amount of Rs. 1,60,000 (Rupees One Lakh Sixty Thousand only) will meet the end of justice.

8. Accordingly, I compound the admitted contravention viz 9(1)(B) of Schedule 1 of 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 Proceeding) Rules, 2000 on payment of an amount of Rs. 1,60,000 (Rupees One Lakh Sixty Thousand only) which are to be deposited by the applicant with the Reserve Bank of India, Kolkata by a demand draft in favor of Reserve Bank of India and payable at Kolkata within 15 days from the date of issue of the order. In case of failure to deposit the compounded amount within the above mentioned period, Rule 10 of the Foreign Exchange (Compounding Proceeding) Rules, 2000 dated May 03, 2000 shall apply.

9. The application is disposed of accordingly.

Dated this Twenty Second day of January, 2020.

Sd/-

(H. Thangzaman)  
Chief General Manager