



In the

RESERVE BANK OF INDIA  
Foreign Exchange Department  
Central Vista, Sector 17, P.B.No.2  
Chandigarh-160017

Present

**Sh. V.S. Randhawa**  
**Assistant General Manager**

**Date: January 15, 2019**  
CA No CHA 25/2018

In the matter of

**M/s Alertlabs India Pvt. Ltd.**  
Plot No. H – 6, 4th Floor  
Rajiv Gandhi Technology Park  
Chandigarh – 160 101

**(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 December 24, 2018 (received at the Reserve Bank on December 28, 2018) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (The FEMA) and the regulations issued there under. The contravention sought to be compounded pertain to delay in submission of FC-GPR to the Reserve Bank after issue of shares which is in contravention of Para 9(1) (B) 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/ 2000 RB 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, M/s Alertlabs India Pvt. Ltd. is a private Limited company incorporated on January 03, 2017 under the Companies Act 2013. The applicant is



engaged in the business of Computer consultancy and computer facilities management.

3. The applicant company received foreign inward remittances towards investment in equity shares and issued shares for the undermentioned remittances and reported the same to RBI with delay as under:

S N	Date of inflow	Amount of inflow	FC-GPR Amt of shares	Date of issue of shares	Date of reporting to RBI	Delay in submission of FCGPR to RBI
1.	05.09.2017	99,990.00	1,00,000.00	05.09.2017	08.08.2018	307 Days
2.	10.08.2017	10.00				
		1,00,000.00	1,00,000.00			

The applicant reported the allotment of shares to Reserve Bank with delay of **307 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.

4. The applicant was given an opportunity for personal hearing vide letter No.CHD.FE.CG/FID/495/03.01.538/2018-19 dated January 02, 2019 for further submission in person and/or producing documents, if any, in support of the application. Shri Ajay Kumar Sandhu, Senior Manager (F&A) of the company appeared for the personal hearing on January 15, 2019. During the personal hearing, the representative of the applicant admitted the contraventions committed by them for which they have sought compounding. The representative 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.

5. 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 FEMA provision contained in Paragraph 9 (1) (B) of Schedule I of Notification No. FEMA 20/2000-RB dated May 3, 2000 due to delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to person resident outside India as detailed in paragraph 3 above. The contravention relates to an amount of ₹ **1,00,000/- with delay of 307 days**.



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6. It has been declared in the compounding application dated December 24, 2018, that the particulars given by the applicant in the application are true and correct to the best of their knowledge and belief. It has been declared in the undertaking, 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 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.

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. 10,917.00 (Rs Ten thousand Nine Hundred Seventeen only)** will meet the ends of justice.

8. Accordingly, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, I compound the admitted contravention committed by the applicant namely 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. 10,917.00 (Rs Ten thousand Nine Hundred Seventeen 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 15<sup>th</sup> day of January 2019.

Sd/-

**V.S. Randhawa**

Assistant General Manager



FED, CEFA  
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