



In the
Reserve Bank of India
Foreign Exchange Department
Fort Glacis, No.16, Rajaji Salai
Chennai 600 001

Present

Suman Ray
Chief General Manager

Date: December 18, 2019
C.A.948/2019

In the matter of

M/s. Scientific Publishing Services Private Limited
No.6 & 7, 5th street, R K Salai, Mylapore
Chennai – 600 004

(Applicant)

In exercise of the powers 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 13, 2019 (received at Reserve Bank on August 19, 2019) 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 is delay in submission of Form FC-GPR on allotment of shares to Reserve Bank in terms of Paragraph 9(1)B of



M/s. Scientific Publishing Services Private Limited –C.A.948/2019

Schedule I 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 3, 2000 as then applicable (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 on March 11, 1992 under the provisions of the Companies Act, 1956 (Registration No. U22219TN1992PTC022318) and is engaged in the business of other information technology and computer service activities n.e.c. Springer SBM Services Limited, Mauritius, was holding 4500000 equity shares of the applicant company from September 22, 2006. In terms of NCLT order dated December 12, 2016, Springer SBM Services Limited, Mauritius was amalgamated with the applicant company. On amalgamation, as per NCLT order, 4500000 equity shares at face value of ₹10 each of the applicant company were allotted to Springer Nature Singapore Pte Ltd., Singapore

3. The applicant company allotted shares and filed FC-GPR as indicated below:

Sl. No.	No. of shares allotted	Face Value ₹	Amount ₹	Date of allotment of shares	Reported to RBI on
1	4500000	10	4,50,00,000.00	30.03.2017	18.05.2017

The applicant filed the form FC-GPR as indicated above with a delay of 19 days approximately beyond the stipulated time of 30 days. Whereas in terms of paragraph 9(1)B of Schedule I to Notification No. 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 person resident outside India.

4. The applicant was advised about the contravention vide memorandum dated July 09, 2019. The applicant has filed a compounding application dated August 13, 2019 wherein it has been declared in the compounding application that the particulars given by the applicant in the application are true and correct to the best of their knowledge and



M/s. Scientific Publishing Services Private Limited –C.A.948/2019

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 contravention which is being compounded in this Order is 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.

5. The applicant was given an opportunity for personal hearing vide Reserve Bank's mail dated December 16, 2019 for further submission in person and/or producing additional documents, if any, in support of the application. The applicant appeared for the personal hearing scheduled on December 18, 2019 during which Shri Dayalu Subburayulu, Whole time Director & Chief Financial Officer and Shri K Vishal Kumar, DGM – Finance & Accounts, represented the applicant. The authorized representatives of the applicant admitted the contravention as stated in paragraph 3 above for which compounding has been sought. It had been submitted that the delay was unintentional. In view of the above, they requested Reserve Bank to take 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 other documents and submissions made in this context by the applicant during personal hearing.

6. I have given my careful consideration to the documents on record and submission made by the applicant in the compounding application and during personal hearing. Accordingly, I hold that the applicant has contravened the following FEMA provision issued in terms of:

(a) Paragraph 9(1)B of Schedule I to Notification No. FEMA 20/2000-RB due to delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to person



M/s. Scientific Publishing Services Private Limited –C.A.948/2019

resident outside India. The contravention relates to an amount of ₹ 4,50,00,000.00 with the duration of contravention of being 19 days.

7. 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 **₹14,000/-** (Rupees fourteen thousand only) will meet the ends of justice.

8. Accordingly, I compound the admitted contravention namely, the contravention of paragraph 9 (1) B of Schedule I to Notification No. FEMA 20/2000-RB, by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of **₹14,000/-** (Rupees fourteen thousand only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Fort Glacis, No.16, Rajaji Salai, Chennai - 600 001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Chennai 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 accordingly.

Dated this eighteenth day of December, 2019.

Sd/-
Suman Ray
Chief General Manager