



In the

**Reserve Bank of India**  
Foreign Exchange Department  
Mumbai Regional Office  
Main Building, 3rd floor  
Shahid Bhagat Singh Marg, Fort  
Mumbai 400 001

Present

**S. V. Potphode**  
Assistant General Manager

**Date: April 27, 2018**

**C.A. No. 736/2018**

In the matter of

**Sapience Analytics Private Limited**  
1204/16, Avenir, 2<sup>nd</sup> Floor  
Bapusaheb Purandare Lane,  
Opp. Balgandharva Theatre, J.M. Road,  
Pune- 411004

**(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 thereunder, I pass the following

**Order**

1. The applicant has filed the compounding application dated December 12, 2017 (received at the Reserve Bank of India on January 03, 2018) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contravention sought to be compounded is delay in reporting receipt of foreign inward remittances towards subscription to compulsory convertible preference shares in terms of paragraphs 9 (1) (A) 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 May 3, 2000 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 was originally incorporated on December 12, 2008, under the Companies Act, 1956, as Innovizetech Software Private Limited. The name of the company was changed to Sapience Analytics Private Limited on August 08, 2012. Its main activities are to carry on business of software product development, software development services, selling software products and packages, research & development activities as regards software development and computer systems and to carry on business as computer programmers, data processing systems analyst and to provide services for establishing Management Information Systems, Software maintenance of existing Computer Applications, Contract Development Resources, training and certification of software engineers, contract development of new products, design, preparing and training to use by its customers.

3. The applicant received foreign inward remittances from Mr. Jayesh Arvind Parekh, Singapore and Fresco International Limited, Hong Kong, towards compulsory convertible preference share capital and reported the same to the Reserve Bank of India as indicated below.

<b>Sr. No</b>	<b>Amount received In INR</b>	<b>Date of receipt</b>	<b>Date of reporting</b>
1	3,37,200.00	05-07-2010	04-08-2010
2	3,30,571.35	30-06-2010	28-07-2010
3	3,49,780.05	01-03-2011	11-04-2011
4	3,53,531.75	28-02-2011	11-04-2011
Total	13,71,083.15		

The applicant reported receipt of remittances to the Reserve Bank of India with a delay ranging from 11 days to 12 days approximately, in respect of remittances listed at serial no. 3 and 4 above. Whereas in terms of paragraph 9 (1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB, an Indian company issuing shares or convertible



debentures in accordance with these Regulations should report foreign inward remittances 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 was given an opportunity for personal hearing vide e-mail dated April 23, 2018, for further submission in person and/or producing documents, if any, in support of the application. The applicant appeared for the personal hearing on April 24, 2018, during which Shri. Hemant Joshi, Senior Vice President and Shri. Sunil G Nanal, Practising Company Secretary, represented the applicant in the cabin of Shri S. V. Potphode, Assistant General Manager, Mumbai Regional Office. The representatives of the applicant admitted the contravention for which compounding has been sought. During the personal hearing, it was submitted that the delay was inadvertent and unintentional. They requested that in view thereof, the matter may be viewed leniently. 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 submitted along with the application.

5. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing and thereafter. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:

(a) Paragraph 9 (1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in reporting of receipt of foreign inward remittances towards subscription to compulsory convertible preference share as detailed in paragraph no. 3 above. The contravention relates to an amount of Rs.7,03,311.80 (Rupees Seven Lakh Three Thousand Three Hundred Eleven and Eighty Paise only) and the delay ranging from 11 days to 12 days approximately.

6. It has been declared in the compounding application dated December 12, 2017, 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 dated April 25, 2018, 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.

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 Rs.10,160/-(Rupees Ten Thousand One Hundred Sixty only) will meet the ends of justice.

8. Accordingly, I compound the admitted contravention namely, the contravention of paragraphs 9 (1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB by the applicant as stated above on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of Rs.10,160/-(Rupees Ten Thousand One Hundred Sixty only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Mumbai Regional Office, Main Building, 3rd floor, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at "Mumbai" 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.



**FED, MRO**  
**Sapience Analytics private Limited**  
**C.A. No.736/2018**

9. The above order is passed only in respect of contraventions of para 9 (1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB and does not restrict the right of any other authority to proceed against the Company for any other violations/contraventions noticed at any point of time.

The application is disposed of accordingly.

Dated: April 27, 2018.

**Compounding Authority**

Sd/-

**(S V. Potphode)**  
Assistant General Manager