



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

J. K. Pandey
Chief General Manager

Date: May 16, 2018

C.A. No. 738/2018

In the matter of

Sapient Consulting Private Limited
17th Floor, Urmi Estate, Tower A
95, Ganpatrao Kadam Marg
Lower Parel (W), Mumbai – 400 013

(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 January 12, 2018 (received at the Reserve Bank of India on January 18, 2018) 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 are (i) delay in reporting receipt of foreign inward remittance towards subscription to equity and (ii) delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to a person resident outside India in terms of paragraphs 9(1)(A) and 9(1)(B) respectively, 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 November 13, 2009 under the Companies Act, 1956 as Sapient Consulting Private Limited in State of Delhi. The Sapient Consulting Private Limited (Surviving entity) then got merged with Sapient Corporation Private limited (Non- surviving entity) in pursuant to the orders of the Honourable Delhi High Court dated October 12, 2011 and January 6, 2012. Further, the name of the company was changed to Sapient Consulting Limited on August 27, 2013. The name was again changed to Sapient Consulting Private Limited on March 31, 2015. Subsequently, registered office of company was changed from jurisdiction of State of Delhi to State of Maharashtra on September 21, 2017. Its main activities are to provide e-commerce consulting services and sophisticated internet based solution, including digital business strategy, experience modelling, creative design, technology development, integrated advertising, digital commerce, marketing technology and system integration and integrated engagement leadership, to Global 1000 companies and start businesses.

3. The applicant received foreign inward remittances from Sapient Corporation, USA, Sapient Mauritius holdings Limited and Sapient holding Luxembourg SARL towards equity / preference share capital and reported the same to the Reserve Bank of India as indicated below.

Sr. No.	Amount in INR	Date of receipt	Date of reporting
1	25,00,000.00	27/03/2000	21/09/2000
2	9,60,20,000.00	21/09/2001	17/05/2017
3	9,40,50,000.00	07/08/2001	17/05/2017
4	6,96,43,050.00	14/12/2009	15/01/2010
5	2,29,98,620.00	26/11/2009	18/12/2009
Total	28,52,11,670.00		



The applicant reported receipt of remittances to the Reserve Bank of India with a delay ranging from 15 years 6 months 27 days to 15 years 8 months 10 days approximately, in respect of remittances from serial no. 2 and 3 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 company allotted equity shares/preference shares/convertible preference shares and filed FC-GPR as indicated below:

Sr. No.	No. of shares	FV in INR	Amount in INR	Date of allotment	Date of filing
1	250000	10	25,00,000.00	30/03/2000	21/09/2000
2	19007000	10	19,00,70,000.00	12/12/2001	15/05/2017
3	6964305	10	6,96,43,050.00	15/01/2010	11/02/2010
4	2299862	10	2,29,98,620.00	15/01/2010	11/02/2010
5	12838014	10	12,83,80,140.00	01/02/2012	28/02/2012
6	30839875	10	30,83,98,750.00	24/07/2013	21/08/2013
		Total	72,19,90,560.00		

The applicant filed form FC-GPR as indicated at serial No. 2 above with a delay of 15 years 4 months 3 days approximately. Whereas, in terms of Paragraph 9(1)(B) of Schedule 1 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.

5. The applicant was given an opportunity for personal hearing vide e-mail dated April 24, 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 26, 2018, during which Shri Krishnan Sharma, Treasurer and Shri Amit Khera,



Company Secretary represented the applicant in the cabin of Shri J. K. Pandey, Chief General Manager, Mumbai regional Office. The representatives of the applicant admitted the contraventions 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.

6. 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 equity as detailed in paragraph no. 3 above. The contravention relates to an amount of Rs.19,00,70,000.00 (Rupees Nineteen Crore Seventy Thousand only) and the delay ranging from 15 years 6 months 27 days to 15 years 8 months 10 days approximately.

(b) Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in submission of Form FC-GPR to the Reserve Bank of India after issue of shares to persons resident outside India and the contravention relates to an amount of Rs.19,00,70,000.00 (Rupees Nineteen Crore Seventy Thousand only) and the delay of 15 years 4 months 3 days approximately.

7. It has been declared in the compounding application dated January 12, 2018, 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 further been stated 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/



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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.

8. 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.31,28,500/- (Rupees Thirty One Lakh Twenty Eight Thousand Five Hundred only) will meet the ends of justice.

9. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9(1)(A) and 9(1)(B) 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.31,28,500/- (Rupees Thirty One Lakh Twenty Eight Thousand Five Hundred 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.



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10. The above order is passed only in respect of contraventions of para 9(1)(A) and 9(1)(B) 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: May 16, 2018.

Compounding Authority

Sd/-

(J. K. Pandey)

Chief General Manager