



In the
Reserve Bank of India
Foreign Exchange Department
Pandit Jawaharlal Nehru Marg
Bhubaneswar-751 001

Present

Shri G.C.Obanna
General Manager
Compounding Authority

Date: March 10, 2017
C.A. No. BHU12/2017

In the matter of

M/s. Signure Technologies Private Limited
Adhikari Niwas, 4th Lane,
Baikuntha Nagar, Berhampur, Odisha-760004
(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 has filed a compounding application received at Reserve Bank on February 20, 2017 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 submission of Form FC-GPR to the Reserve Bank after issue of shares in terms of paragraph 9(1)(B) of 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 and as amended from time to time (hereinafter referred to as Notification No.FEMA 20/2000-RB) read with A.P. (DIR Series) Circular No.20 dated December 14, 2007.



M/s. Signure Technologies Private Limited
CA No. BHU12/2017

Sr. No.	Foreign Investor	Amount for which shares were issued (₹)	Date of Share Issue	Date of Reporting	Days delay excluding prescribed time of 30 days
1.	Rajan Anandan (USA)	2,37,405.00	24.06.2013	16.08.2013	25

2. The relevant facts of the case are as follows: The applicant was incorporated on November 27, 2007 under Companies Act, 1956 and deals in information technology and computer service activities. The applicant received inward remittances from foreign investors under automatic route and reported the same to Reserve Bank of India as indicated below:



M/s. Signure Technologies Private Limited
CA No. BHU12/2017

2.	Singapore Angel Network Pte. Ltd (Singapore)	25,18,000.00	02.07.2015	22.09.2016	418
3.	Hochstein Invest Inc. (Panama)	19,99,800.00	31.12.2014	22.09.2016	629
4.	Rajan Anandan (USA)	2,36,759.00	22.11.2013	22.09.2016	1031
Total		49,91,964.00			

The FC-GPRs were filed with Regional Office of RBI with delay ranging from twenty five days to two years and ten months approximately, beyond the stipulated time period for reporting to RBI. 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.

3. The applicant was given an opportunity for personal hearing vide the Reserve Bank's letter FED (Bhu) No.330/08.02.238/2016-17 dated February 23, 2017 for further submission in person and/ or producing documents, if any, in support of the application. Shri Ashok Kumar, Co-Founder of the company represented the applicant for personal hearing on March 10, 2017. The representative of the applicant admitted the contraventions for which compounding has been sought. During the personal hearing, it was submitted that the applicant could not ensure proper compliances with respect to reporting of issue of shares to Reserve Bank within the stipulated time periods as the company Directors/ officials were not aware of the extant guidelines of Reserve Bank of India in connection with FDI reporting. The applicant, through its representative, stated that it had unintentionally violated the provisions of paragraph 9(1) (B) Schedule 1 to Notification No. 20/2000 – RB dated May 3, 2000 issued under the Foreign Exchange



M/s. Signure Technologies Private Limited
CA No. BHU12/2017

Management Act, 1999 and requested that in view of the foregoing, a lenient view may be taken in disposal of the application. 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 the personal hearing.

4. I have given my careful consideration to the documents on record and submission made by the applicant. Accordingly, I hold that the applicant has contravened paragraph 9(1)(B) of Schedule 1 to Notification No.FEMA 20/2000-RB dated May 3, 2000 due to delay in submission of Form FC-GPR to Reserve Bank after issue of shares as detailed

in paragraph 2 above. The contravention relates to a total amount of ₹ 49,91,964.00 (Rupees forty nine lakhs ninety one thousand nine hundred and sixty four only) and the duration ranges from twenty five days to two years and ten months approximately.

5. In terms of Section 13 of the FEMA, 1999 if any person contravening any provision of the Act, or contravenes any rule, regulation, notification, direction or order issued in exercise of the powers under this Act, or contravenes any condition subject to which an authorization is issued by the Reserve Bank, he, upon adjudication, shall be liable to a penalty up to thrice the sum involved in such contravention. However, taking into account the relevant facts and circumstances of the case as stated in the foregoing paragraphs, I am of the view that an amount of ₹ **24,000/-** (Rupees twenty four thousand only) will meet the ends of justice.

6. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000 read with AP (DIR Series) Circular No.20 dated December 14, 2007 by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of ₹ **24,000/-** (Rupees twenty four thousand only) which shall be deposited by the applicant with the



M/s. Signure Technologies Private Limited
CA No. BHU12/2017

Reserve Bank of India, Foreign Exchange Department, Bhubaneswar by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Bhubaneswar 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 10th day of March, 2017.

Sd/-

(G.C. Obanna)

General Manager