



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

Present

**B Sarangi**  
**Deputy General Manager**

Date: October 16, 2017  
**C.A.714/2016**

In the matter of

**M/s. Sandler & Travis Trade Advisory India Pvt Ltd.**  
International Law Centre, 2nd Floor,  
Unit-3, No.61-63, Dr. Radhakrishnan 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 September 15, 2017 (received at Reserve Bank on September 18, 2017) 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



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submission of Form FC-GPR on allotment of shares with Reserve Bank, 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).

2. The relevant facts of the case are as follows: The applicant company was incorporated on January 12, 2015 under the provisions of the Companies Act, 1956 (Registration No. U74900TN2015FTC098802) and is engaged in business of Management consultancy activities. The applicant received foreign inward remittance amounting to ₹ 32,30,300/- between 05.05.2015 and 06.08.2015 from i) M/s Sandler & Travis Trade Advisory Services Inc., USA ii) M/s STTAS Hong Kong Ltd., Hong Kong towards subscription to equity shares and reported the same to the Reserve Bank within the stipulated time of 30 days.

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

Sl. No.	No. of shares/CCPs allotted	Face Value (in Rs.)	Amount (INR)	Date of allotment of shares	Reported to RBI on
1	20000	10	2,00,000	07.07.2015	17.11.2015
2	300000	10	30,00,000	01.08.2015	11.03.2016
3	3030	10	30,300	18.09.2015	11.03.2016

The applicant filed the form FC-GPR as indicated above with delay ranging from three months 10 days to six months 10 days approximately beyond the stipulated time of 30 days in respect of the allotments. 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 given an opportunity for personal hearing vide Reserve Bank's mail dated October 12, 2017 for further submission in person and/or producing



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documents, if any, in support of the application. The applicant did not appear for the personal hearing on October 16, 2017. 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.

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

(a) Paragraph 9 (1) B of Schedule 1 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 persons resident outside India and the contravention relates to an amount of ₹ 32,30,300/- with the duration of contravention ranging from three months 10 days to six months 10 days approximately.

6. 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 contravention is to be compounded and I consider that an amount of ₹ 12,200/- (Rupees twelve thousand two hundred only) will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, the contravention of paragraph 9 (1) B of Schedule 1 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 ₹ 12,200/- (Rupees twelve thousand two hundred 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



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Foreign Exchange (Compounding Proceedings) Rules, 2000 dated May 3, 2000 shall apply.

The application is disposed of accordingly.

Dated this Sixteenth day of October, 2017.

**Sd/-**

**B Sarangi**  
**Deputy General Manager**