



In the  
**Reserve Bank of India**  
Foreign Exchange Department  
3<sup>rd</sup> Floor  
15, Netaji Subhas Road  
Kolkata – 700 001

Present

**J. P. Tirkey**  
**General Manager**

Date: June 13, 2019  
C.A.105/2019

In the matter of

**M/s FLIGHT EXPRESS TRAVEL (INDIA) PRIVATE LIMITED**  
176, Bidhan Sarani, Ground Floor, Devangan Apartment  
Kolkata-700006  
West Bengal  
(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 had filed a compounding application dated April 23, 2019 (received at Reserve Bank on April 25, 2019) 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 is for delay in submission to the Reserve Bank of both Form ARF after receipt of inflow from a person resident outside India and Form FC-GPR after issue of shares to a person resident outside India beyond the stipulated 30 days in terms of Paragraph 9(1)(A) and 9(1)(B) respectively to 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 03, 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, M/s FLIGHT EXPRESS TRAVEL (INDIA) PRIVATE LIMITED, was incorporated under Companies Act, 1956, on September 12, 2005. The applicant is in the business of Tour Operator activities (NIC Code 2008 - 79120). The applicant had received foreign inward remittances for subscription to equity shares from Flight Express Travel INC, a Non-resident Foreign Company and reported the same with a delay beyond the stipulated period of 30 days as given in Table 1 below:

**Table 1: Details of inflow of foreign inward remittances**

S. No.	Name of Investor	Inflow (INR)	Date of inflow	Date of reporting of inflow to RBI	Delay beyond 30 days (Days)
1	Flight Express Travel INC	24,93,287.30	07-Dec-2005	30-May-2017	4162
2	Flight Express Travel INC	29,40,000.00	10-Apr-2007	30-May-2017	3673
	Total	54,33,287.30			

3. The applicant reported the allotment of shares (in form FC-GPR) to the Bank with a delay beyond the stipulated period of 30 days as detailed in Table 2:

**Table 2: Allotment of shares and reporting of FCGPR**

S. No.	Inflow (INR)	Amount for which shares have been issued	Date of inflow	Date of allotment of shares	Date of reporting of allotment of shares to RBI	Delay beyond 30 days, if any (days)
1	2493287.30	24,93,285	07-Dec-2005	31-Mar-06	30-May-17	4048
2	29,40,000.00	29,40,000	10-Apr-2007	01-Sep-07	30-May-17	3529
	54,33,287.30	54,33,285				

4. The applicant was given an opportunity for personal hearing, vide Reserve Bank's letter No.KOL.FED.FID.1833/06.01.002/2018-19 dated June 10, 2019, for further submission in person and/or producing documents, if any, in support of



the application. On the date of personal hearing, i.e., June 13, 2019, the applicant represented by Gopabandhu Parida (Authorized Representative) admitted the contraventions as stated in para 2 & 3 of this Order.

5. It has been declared in the compounding application dated April 23, 2019 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 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 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.

6. I have given careful consideration to the documents on record and submission made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened provisions of paragraph 9(1)(A) and 9(1)(B) of Schedule 1 of Notification No. FEMA 20/2000RB dated May 03, 2000. The total contravention relates to an amount of INR 1,08,66,572.30.

7. In terms of section 13 of the FEMA, any person contravening any provision of the act shall be liable for a penalty up to thrice the sum of the contravention upon adjudication. Considering the circumstances which led to the delay and other relevant facts of the case, I am, however, inclined to take a lenient view of the amount for which the contravention is to be compounded and I consider that an amount of Rs. 1,27,291 (Rupees One lakh Twenty Seven Thousand Two Hundred and Ninety One only) will meet the end of justice.

8. Accordingly, I compound the admitted contravention viz. 9(1)(A) and 9(1)(B) of Schedule 1 of Notification No. FEMA 20/2000-RB dated May 03, 2000 by the



applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceeding) Rules, 2000 on payment of an amount of Rs. 1,27,291 (Rupees One lakh Twenty Seven Thousand Two Hundred and Ninety One only) which are to be deposited by the applicant with the Reserve Bank of India, Kolkata by a demand draft in favor of Reserve Bank of India and payable at Kolkata within 15 days from the date of issue of the order. In case of failure to deposit the compounded amount within the above mentioned period, Rule 10 of the Foreign Exchange (Compounding Proceeding) Rules, 2000 dated May 03, 2000 shall apply.

The application is disposed of accordingly.

(J.P.Tirkey)

General Manager

Dated this Thirteenth day of June, 2019