



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
11th floor, Central Office Building
Shahid Bhagat Singh Road
Mumbai - 400 001

Present

Shekhar Bhatnagar
Chief General Manager

Date: November 29, 2017
C.A. 4520/2017

In the matter of

Carryage Technologies Private Limited
VILLA NO.4, NAROO HEIGHTS, DONA PAULA
PANAJI, North Goa, GOA 403 004
(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 there under, I pass the following

Order

The applicant has filed a compounding application dated August 21, 2017 (received at Reserve Bank of India on September 14, 2017) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued there under. The contraventions sought to be compounded are (i) delay in reporting foreign inward remittances and; (ii) delay in reporting allotment of shares after receipt of the funds in contravention of paragraphs 9(1)(A) and 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 3rd May 2000 as then applicable (hereinafter referred to as Notification No. FEMA 20/2000-RB).

2. The relevant facts of the case are as follows: Carryage Technologies Private Limited (CTPL) was incorporated on May 08, 2015 under the Companies Act, 2013 (CIN U74999GA2015PTC007645). The applicant is engaged in the



business of providing technology based solutions primarily via mobile applications for the transportation sector to enable booking of transport vehicles for transport of goods. CTPL received Foreign Direct Investment (FDI) amounting to Rs.5.5376 crore approximately towards investment in its equity shares under the automatic route, the details of which are as under:-

Table A

Sr.No	Name of remitter	Date of remittance received	Amount in INR	Date of reporting to RBI
1	K2 Investment & Advisory Limited, Hong Kong	17-12-2015	1,48,82,096.25	10-03-2016
2		22-12-2015	1,48,03,355.00	10-03-2016
3		22-12-2015	65,78,355.00	10-03-2016
4		09-02-2016	28,62,815.00	07-04-2016
5	NB Ventures Ltd, British Virginia Islands	16-05-2017	1,62,49,740.00	14-06-2017
		Total	5,53,76,361.25	

CTPL received FDI of Rs.5,53,76,361.25 during the period December 2015 to May 2017 and has reported the receipt of foreign inward remittances with delay ranging from one month to two months approximately as given above. The delay was in contravention of Paragraph 9(1)(A) of Schedule 1 to FEMA 20/2000-RB.

CTPL allotted equity shares during the period from February 2016 to June 2017 to the non-resident investors as under:-

Table B

Sr.No	Name of Investor	Date of allotment of shares	Amount (INR) for which shares allotted	Date of reporting to RBI	No. of shares allotted
1	K2 Investment & Advisory Limited, Hong Kong	02-02-2016	3,62,63,475	08-04-2016	19,655
2		15-03-2016	28,61,595	02-01-2017	1,551
3	NB Ventures Ltd, British Virginia Islands	01-06-2017	1,62,49,740	23-06-2017	6,526
		Total	5,53,74,810		27,732



CTPL reported the allotment of equity shares in Form FC-GPR amounting to Rs.5,53,74,810/- with delay ranging from two months to nine months approximately. The delay was in contravention of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB.

RBI vide letter FE.PNJ.617/02.01.005/2016-17 dated December 26, 2016 advised the applicant of the above contraventions.

3. During the course of its operations, CTPL committed the following contraventions of FEMA provisions as laid down under Notification No. FEMA 20/2000-RB as amended:-

3.1 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.

CTPL has reported the inward remittances beyond the prescribed period in 4 instances as per the details given in Table A above thereby contravening the said FEMA provision. The amount of contravention was Rs.3,91,26,621/- approximately and the period of contravention ranges one month to two months approximately.

3.2 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.

CTPL reported the allotment of shares in Form FC-GPR beyond the prescribed period in 2 instances as per the details given in Table B above thereby contravening the said FEMA provision. The amount of contravention was Rs.3,91,25,070/- and the period of contravention ranges two months to nine months approximately.



4. The applicant was given an opportunity for personal hearing vide the Reserve Bank's letter No. FE.CO.CEFA/4055/15.20.67/2017-18 dated November 07, 2017 for further submission in person and/or producing documents, if any, in support of the application. The applicant vide email dated November 28, 2017 submitted that it did not wish to attend the personal hearing and that the case be disposed on the basis of the documents submitted. 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. Accordingly, I hold that the applicant has contravened the FEMA provisions issued in terms of Paragraphs 9(1)(A) and 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-RB as per the details given at paragraphs 2 and 3 above.

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 contraventions are to be compounded and I consider that an amount of Rs.51,625/- (Rupees fifty one thousand six hundred and twenty five only) will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9(1)(A) and 9(1)(B) of Schedule I 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.51,625/- (Rupees fifty one thousand six hundred and twenty five only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 5th Floor, Amar Building, 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.

The application is disposed of accordingly.

Dated this the twenty ninth day of November, 2017.

Sd/-

(Shekhar Bhatnagar)
Chief General Manager