



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
Central Vista, Sector 17,
Chandigarh-160017

Present

Sh. Vinod Kumar
Deputy General Manager

Date: January 24, 2018
CA No CHA 17/2018

In the matter of

M/s Airmail Service Pvt. Ltd.
Plot No: F-335, Phase 8-B
Mohali, Punjab -160055

(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 December 22, 2017 (received at the Reserve Bank on January 01, 2018) 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 pertain to delay in submission of Form FC-TRS from the date of transfer of shares which are in contravention of Regulation 10B (2) read with paragraph 10 of Schedule 1 to Foreign Exchange Management (Transfer or issue of Security by a person Resident outside India) Regulation, 2000 notified vide Notification No. 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, M/s Airmail Service Pvt. Ltd. is a Ltd company incorporated on November 01, 2012. The applicant is engaged in BPO services and data processing activities.

3. The applicant company had reported 02 FCTRS to RBI with details as under:

S N	Value of shares	No. of shares transferred	Buyer	Date of Transfer	Actual Date of reporting to AD/RBI
1	7,61,008.00	47563	Jaydeep Das	24-Dec-15	02-June-2016
2	4,95,396.00	30996	Sahil Sharma	12-Dec-15	02-June-2016
Total	12,56,404.00				

The applicant reported above FCTRS to Reserve Bank with delay of **101 and 113 days respectively**. The delay is in contravention of Regulation 10B (2) read with paragraph 10 of Schedule I to FEMA 20/2000-RB dated May 3, 2000, in terms of which a Non-Resident or Resident shall report in form FCTRS to AD bank within 60 days from the date of receipt or payment of the amount of consideration.

4. The applicant was given an opportunity for personal hearing vide letter No.CHD.FE.CG/FID/556/03.01.417/2017-18 dated January 02, 2018 for further submission in person and/or producing documents, if any, in support of the application. However, the applicant vide its email dated 15.01.2018 informed that the company does not wish to appear for personal hearing and requested to proceed with the compounding without personal hearing. The application is, therefore, being considered on the basis of the averments made in the application and documents produced.

5. I have given my careful consideration to the documents on record and submissions made by the applicant. Accordingly, I hold that the applicant has contravened the following FEMA provisions:

- (a) Regulation 10B (2) read with paragraph 10 of Schedule I to FEMA 20/2000-RB dated May 3, 2000 due to delay in reporting of FCTRS as detailed in paragraph 3



above. The contravention relates to an amount of Rs. **12, 56,404.00** with delay of **101 and 113 days respectively.**

6. In terms of Section 13 of 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 **Rs. 10,666.00 (Rupees Ten Thousand Six Hundred Sixty Six only)** will meet the ends of justice.

7. Accordingly, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, I compound the admitted contraventions committed by the applicant namely, Regulation 10B (2) read with paragraph 10 of Schedule I to FEMA 20/2000-RB dated May 3, 2000 on the facts discussed above, on payment of an amount of **Rs.10,666.00 (Rupees Ten Thousand Six Hundred Sixty Six only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Central Vista, Sector 17, Chandigarh-160017 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at "Chandigarh" **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 24th day of January 2018.

Sd/-

Vinod Kumar
Deputy General Manager