



In the

Reserve Bank of India
Foreign Exchange Department
Mumbai Regional Office
Main Building, 3rd floor
Shahid Bhagat Singh Marg, Fort
Mumbai 400 001

Present

J. K. Pandey
Chief General Manager

Date: October 10, 2018

C.A. No. 775/2018

In the matter of

eIndia Venture Holding Company Limited
St. James Court, Suite 308
St. Denis Street
Port Louis
Mauritius
(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 thereunder, I pass the following

Order

1. The applicant has filed a compounding application dated May 28, 2018, (received at the Reserve Bank of India on June 4, 2018) 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 for delay in submission of form FC-TRS on transfer of shares in an Indian company, in contravention of Regulation 10B (2) read with Paragraph 10 of Schedule I to Foreign Exchange Management Regulations, 2000 notified vide Notification No. FEMA 20/2000-RB dated May 3, 2000 (as amended from time to



time) (hereinafter referred to as Notification No. FEMA 20/2000-RB) and Regulation 13.1(4) of Notification No. FEMA 20(R)/ 2017-RB dated November 07, 2017 (as amended from time to time) (hereinafter referred to as Notification No. FEMA 20R /2017-RB).

2. The relevant facts of the case are as follows: eIndia Venture Holding Company Limited is incorporated under the laws of Mauritius. The applicant is a nominee of eIndia Venture Fund Limited, Mauritius. Accordingly the company holds equity shares of HOV Services Limited, India which it acquired from eIndia Venture Fund Limited, Mauritius on February 18, 2015. HOV Service Limited is engaged in the business of providing information technology and IT enable services, such as data entry services, software development and support services. Its equity shares are listed on recognised stock exchanges in India. The applicant sold part of equity shares held by it in HOV Services Limited on recognised stock exchanges of India as detailed below.

Sr. No.	Date of remittance	Amount received in INR	Date of transfer (if applicable) (FEMA 20R)	Date of remittance/ Date of Transfer	Date of filing Form FCTRS	Delay above 60 days (Regulation 13(4)) earlier para 10
01	15-02-16	47,233.00		15-02-16	30-08-17	1Y 4M 15D
02	15-03-16	13,65,910.00		15-03-16	31-08-17	1Y 3M 16D
03	23-03-16	10,49,235.00		23-03-16	31-08-17	1Y 3M 8D
04	31-03-16	7,32,147.00		31-03-16	31-08-17	1Y 3M 0D
05	18-03-16	19,72,058.00		18-03-16	31-08-17	1Y 3M 13D
06	20-04-16	22,90,790.00		20-04-16	31-08-17	1Y 2M 11D
07	20-04-16	11,20,381.00		20-04-16	31-08-17	1Y 2M 11D
08	17-10-17	3,05,760.00		17-10-17	08-12-17	NO
09	16-04-18	20,80,459.00	13-12-17	13-12-17	17-04-18	0Y 2M 2D
10	23-04-18	66,055.00	19-04-18	19-04-18	26-04-18	NO
11	16-05-18	9,28,795.00	09-05-18	09-05-18	22-05-18	NO
	Total	1,19,58,823.00				

The applicant has contravened the provision of Regulation 10B (2) read with Paragraph 10 of Schedule I to Foreign Exchange Management Regulations, 2000 notified vide Notification No. FEMA 20/2000-RB and Regulation 13.1(4) of



Notification No. FEMA 20(R)/ 2017-RB, in terms of which a person resident outside India, may transfer share or convertible debenture or warrants of an Indian company, without the prior permission of the Reserve Bank, by way of sale, to a person resident in India subject to the adherence to pricing guidelines, documentation and reporting requirements for such transfers as may be specified by Reserve Bank from time to time.

3. The applicant was given an opportunity for personal hearing vide email dated October 1, 2018, for further submission in person and/or producing documents, if any, in support of application. The personal hearing took place on October 3, 2018 during which Shri Mehool Parekh, Director, an authorized representative, represented the applicant in the cabin of Shri J. K. Pandey, Chief General Manager, Foreign Exchange Department, Mumbai Regional Office. The representatives of the applicant admitted the contravention committed by the applicant for which compounding has been sought. During the personal hearing, it was submitted that there was no mala fide intention by the applicant and the contravention was inadvertent. The representatives of the applicant 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 personal hearing and thereafter.

4. I have given my 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 the FEMA provisions issued in terms of Regulation 10B (2) read with paragraph 10 of Schedule I to Notification No. FEMA 20/2000-RB and Regulation 13.1(4) of Notification No. FEMA 20(R)/ 2017-RB. The amount of contravention is Rs.1,06,58,213/- for the delay ranging from 2 Months 2 Days to 1 Year 4 Months 15 Days, approximately.

5. It has been declared in the compounding application dated May 28, 2018, 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 further been stated in the declaration



dated May 28, 2018, submitted along with 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 contravention which is 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. In terms of Section 13 of the FEMA, any person contravening any provision of the Act shall be liable to 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.29,520/-(Rupees Twenty Nine Thousand Five Hundred Twenty Only) will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, the contravention of Regulation 10B (2) read with paragraph 10 of Schedule I to Notification No. FEMA 20/2000-RB and Regulation 13.1(4) of Notification No. FEMA 20(R)/ 2017-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 Rs.29,520/- (Rupees Twenty Nine Thousand Five Hundred Twenty Only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 3rd Floor, Main 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 Proceeding) Rules, 2000 dated May 3, 2000 shall apply.



8. The above order is passed only in respect of contravention of Regulation 10B (2) read with paragraph 10 of Schedule I to Notification No. FEMA 20/2000-RB and Regulation 13.1(4) of Notification No. FEMA 20(R)/ 2017-RB and does not restrict the right of any other authority to proceed against the Company for any other violations/contraventions noticed at any point of time.

The application is disposed of accordingly.

Dated: October 10, 2018

Sd/-

(J. K. Pandey)
Chief General Manager