



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

**Shri G. P. Borah**  
Chief General Manager

**Date: October 17, 2017**

**C.A. No. 708/2017**

In the matter of

**Tranzlease Automobile Management Solutions Pvt. Ltd.**  
A-601, 6<sup>th</sup> floor, ThaneOne, DIL Complex  
Ghodbunder Road, Majiwade  
Thane (West) 400 610

**(Applicant)**

In exercise of the powers conferred under section 15(1) of the Foreign Exchange Management Act, 1999 the Regulations/Rules/Notifications/Orders made there under, I pass the following

**Order**

1. The applicant has filed the compounding application dated August 01, 2017 (received at the Reserve Bank on August 07, 2017) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) the regulations issued thereunder. The contraventions sought to be compounded are (i) delay in reporting receipt of foreign inward remittance towards subscription to equity and (ii) delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to a person resident outside India in terms of paragraphs 9(1)(A) and 9(1)(B) respectively, of 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 3, 2000 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 March 15, 2010 under the Companies Act, 1956 as Tranzlease Capital Investment Ltd. The name was changed to Tranzlease Automobile Management Solutions Pvt. Ltd. on June 28, 2012. Its main activity is to engage in the business of providing managing maintenance support services to companies engaged in operating leases of automobiles other vehicles. The applicant received foreign inward remittance from Asia Lease Holding Company, Mauritius towards equity / preference share capital reported the same to the Reserve Bank as indicated below.

Sr. No	Amount	Date of Receipt	Date of Reporting
1.	1,11,56,250	09/12/2010	08/07/2016
2.	2,70,89,323	19/03/2010	27/07/2016
3.	3,53,03,338	30/04/2010	27/07/2016
<b>Total</b>	<b>7,35,48,911</b>		

The applicant reported receipt of remittances amounting to Rs. 7,35,48,911/- to the Reserve Bank on dates indicated above with a delay ranging from 5 years 6 months to 6 years 3 months 9 days approximately beyond the stipulated time of 30 days, 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 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.

3. The company allotted equity shares/preference shares/convertible preference shares filed FC-GPRs as indicated below:



Sr no	No of shares	Face value	Premium	Amount Rs.	Date of allotment	Date of reporting
1.	504	10	123784.966	6,23,92,660.00	15/09/2010	02/09/2016
2.	90	10	123948.33	1,11,56,250.00	30/12/2010	18/07/2016
3.	15,100	10	6079.71	9,19,54,621.00	06/10/2016	30/11/2016
<b>Total</b>	<b>15,694</b>		<b>Total</b>	<b>16,55,03,532.00</b>		

The applicant filed form FC-GPRs as indicated above amounting to Rs. 16,55,03,532/- with a delay ranging from 24 days to 5 years 10 months 18 days approximately beyond the prescribed limit. Whereas, in terms of Paragraph 9(1)(B) of Schedule 1 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 e-mail dated September 25, 2017 for further submission in person /or for producing documents, if any, in support of the application. The applicant appeared for personal hearing on September 29, 2017 during which Shri Anindya Chakraborty, Director, Ms. Sonal Shah, Practising Company Secretary & Ms. Preeti Kulkarni represented the applicant in the cabin of Shri G. P. Borah, Chief General Manager, Mumbai Regional Office. The representatives of the applicant admitted the contraventions for which compounding has been sought. During the hearing it was submitted that delay was inadvertent unintentional. 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 submissions made in this context by the applicant during personal hearing thereafter.

5. I have given my careful consideration to the documents on record submissions made by the applicant during the personal hearing thereafter. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:



(a) Paragraph 9(1)(A) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in reporting of receipt of foreign inward remittance towards subscription towards shares as detailed in paragraph 2 above. The contravention relates to an amount of Rs. 7,35,48,911/- with a delay ranging from 5 years 6 months to 6 years 3 months 9 days approximately.

(b) Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to persons resident outside India the contravention relates to an amount of Rs. 16,55,03,532/- with a delay ranging from 24 days to 5 years 10 months 18 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 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 I consider that an amount of Rs. 14,95,000/- (Rupees Fourteen lakhs ninety five thousand only) will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, the contraventions of Paragraphs 9(1)(A) 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 Rs. 14,95,000/- (Rupees Fourteen lakhs ninety five thousand only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Mumbai Regional Office, Main Building, 3rd floor, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 by a dem draft drawn in favour of the "Reserve Bank of India" 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.



**FED, MRO**  
**Tranzlease Automobile Management Solutions Pvt. Ltd.**  
**MUM 708**

8. The above order is passed only in respect of contraventions of paragraphs 9(1)(A) 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-RB 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 17, 2017

**Compounding Authority**

**Sd/-**

**(G. P. Borah)**  
**Chief General Manager**