



In the
Reserve Bank of India
10/3/8, Nrupathunga Road
Bengaluru-560001

Present

Eugene E Karthak
Regional Director

Date: November 09, 2017
C.A. BGL 241/2017

In the matter of

M/s Zoomcar India Private Limited
Unit Nos. 701 to 717, 7th Floor, Tower-B
Diamond District, No.150
Airport Road, Kodihalli
Bengaluru - 560008
(Applicant)

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

ORDER

The applicant has filed a compounding application dated June 28, 2017, received at the office of Reserve Bank of India, Bengaluru on June 29, 2017, for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999, (the FEMA), and the Regulations issued there under. The contravention sought to be compounded is delay in reporting receipt of foreign inward remittances towards subscription to equity, in terms of paragraph 9(1)(A) 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 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 Zoomcar India Private Limited, was incorporated on September 10, 2012, under the Companies Act, 1956. The company is in the business of providing self-drive



cars on rent. The applicant had received funds towards share application money from foreign investor, M/s Zoomcar INC, USA, as shown below:

Table-1

Sl. No	Date of receipt	Amount (INR)	Date of Reporting to RBI/AD
1	31-10-2012	3,71,999.10	30-11-2012
2	06-12-2012	2,67,450.90	01-06-2013
3	07-01-2013	24,44,663.00	30-05-2013
4	12-02-2013	7,83,013.58	30-05-2013
5	28-02-2013	20,88,111.82	30-05-2013
6	15-03-2013	21,39,529.70	30-05-2013
7	26-04-2013	21,38,930.00	30-05-2013
8	24-05-2013	17,50,905.00	19-06-2013
9	12-06-2013	18,28,136.70	25-06-2013
10	27-06-2013	39,76,602.60	11-07-2013
11	23-07-2013	40,53,954.60	24-12-2013
12	19-08-2013	43,32,552.77	24-12-2013
13	07-10-2013	4,28,94,774.40	24-10-2013
14	17-01-2014	39,47,132.12	03-04-2014
15	18-03-2014	121,38,786.00	03-04-2014
16	19-03-2014	60,68,786.00	03-04-2014
17	09-04-2014	1,47,90,691.65	08-05-2014
18	21-04-2014	4,07,70,009.60	08-05-2014
19	23-09-2014	10,24,23,795.00	20-10-2014
20	05-11-2014	10,94,38,784.00	20-11-2014
21	26-11-2014	11,04,28,773.00	08-01-2015
22	12-12-2014	11,14,18,762.00	29-12-2014
23	02-03-2015	56,07,553.60	06-04-2015
24	25-03-2015	1,22,98,770.00	20-04-2015
25	15-04-2015	86,22,768.00	28-04-2015
26	27-04-2015	8,47,78,744.00	19-05-2015



27	05-05-2015	6,35,01,730.00	11-02-2016
28	26-05-2015	6,39,36,221.00	11-02-2016
29	05-06-2015	2,01,19,348.00	11-02-2016
30	16-06-2015	3,18,87,974.00	11-02-2016
31	22-06-2015	13,35,90,228.00	11-02-2016
32	13-07-2015	6,34,06,231.85	25-08-2015
33	28-07-2015	21,73,94,721.20	25-08-2015
34	04-09-2015	66,20,675.60	28-09-2015
35	24-11-2015	4,97,23,674.00	21-12-2015
36	10-12-2015	5,33,98,665.00	06-01-2016
37	28-12-2015	6,62,98,674.00	14-01-2016
38	28-01-2016	6,80,68,638.60	24-02-2016
39	21-03-2016	6,58,45,913.00	27-05-2016
40	26-04-2016	9,24,26,720.10	20-05-2016
41	18-05-2016	1,47,20,511.65	30-05-2016
42	23-08-2016	16,76,98,658.40	06-12-2016
43	14-09-2016	46,85,78,661.20	06-12-2016
44	03-01-2017	34,04,98,638.00	19-01-2017
45	21-04-2017	32,06,48,717.40	04-05-2017
46	24-08-2017	12,79,36,801.50	03-10-2017
47	13-09-2017	12,79,16,802.00	05-10-2017
48	28-09-2017	9,81,26,729.00	05-10-2017
	Total	335,41,48,912.64	

The applicant reported receipt of remittances to the Reserve Bank / Authorized Dealer Bank with a delay ranging from four days to eight months and seven days approximately, beyond the stipulated time of 30 days in respect of remittances as indicated at serial numbers 2 to 7, 11, 12, 14, 21, 23, 27 to 32, 39, 42, 43 and 46 in Table-1 above. Whereas, in terms of paragraph 9(1)(A) of Schedule I 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 applicant was given an opportunity for personal hearing, vide Reserve Bank's letter FE.BG.FID (CEFA) No.1273 /22.08.554/2017-18 dated November 07, 2017, for further submission in person and/or producing documents, if any, in support of the application. The applicant's representative Ms. Rita Kumari Jagnani, Deputy Legal Counsel, appeared for the personal hearing on November 09, 2017. The authorized representative of the applicant admitted the contraventions as stated in paragraph 2 above, committed by the applicant, for which compounding has been sought. During the personal hearing, it was submitted that the delay was not wilful or with malafide intention, but was mainly due to inadvertence, and the same will not be repeated. In view of the above, she requested to take a lenient view 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 following FEMA provisions issued in terms of:

(a) Paragraph 9 (1) (A) of Schedule I to Notification No. FEMA 20/2000-RB, due to delay in reporting of foreign inward remittances received towards subscription to equity as detailed in paragraph 2 above. The contravention relates to an amount of **Rs. 134,47,33,432.04**, and the period of delay ranges from four days to eight months and seven days approximately.

5. 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 contravention is to be compounded, and I consider that an amount of **Rs.2,80,780.00 (Rupees Two Lakh Eighty Thousand Seven Hundred and Eighty only)**, will meet the ends of justice.

6. Accordingly, I compound the admitted contravention namely, contravention of Paragraph 9(1)(A) of Schedule I 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.2,80,780.00 (Rupees Two Lakh Eighty Thousand Seven Hundred and Eighty only)**, which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 2nd Floor, 10/3/8, Nrupathunga Road, Bengaluru – 560001, by a demand draft drawn in favour of the “Reserve Bank of India” and payable at Bengaluru, within a period of 15 days from the date of this order. In case of failure to deposit the said 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 Ninth day of November, 2017.

Sd/-

(Eugene E Karthak)
Regional Director