



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
Secretariat Road
Saifabad, Hyderabad 500 004

Present

Shri P Kalyan Charavarthy
Assistant General Manager

Date: December 31, 2019
C.A. HYD 469

In the matter of

Shri. Bollapragada Venkata Ramana Murthy
MIG -2B-339, Sujatha Nagar
C2 Zone, Chinnamushiriwada
Pedurthi Mandal, Visakhapatnam- 530 051

(Applicant)

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

Order

The applicant has filed the compounding application dated November 11, 2019 received by us on November 18, 2019 for compounding of contraventions of the provision of the Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued thereunder. The contravention sought to be compounded is delay in reporting of form FC-TRS for the transfer of shares from Resident to Non-Resident to the Reserve Bank of India in terms of Regulation 10A(b)(i) read with Paragraph 10 of 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:

(a) The applicant, Shri. Bollapragada Venkata Ramana Murthy, a resident individual (PAN: AAQPB0433J) has transferred a total of 5,000 equity shares, held in M/s Webtogo Mobiles Internet Private Limited, a company incorporated on November 23, 2006 (CIN: U72200AP2006PTC051784), on June 28, 2007 to M/s Webtogo Mobiles Internet GmbH (non-resident company), Mr. Daniel Lothar Edzard Beringer & Mr. Peter Duesing (non-resident individuals).

(b) The details with respect to the transfer of shares are as indicated below:

S No	Name of the transferor	Name of the transferee	Date of transfer	No. of shares transferred	Amount of consideration	Date of reporting
1	Shri Bollapragada Venkata	M/s Webtogo Mobiles Internet GmbH	28.06.2007	4,800	48,000	27.09.2019
2	Ramana Murthy	Daniel Lothar Edzard Beringer	28.06.2007	100	1,000	16.10.2019
3		Peter Duesing	28.06.2007	100	1,000	11.10.2019

The applicant delayed in the filing of form FC-TRS beyond 60 days from the date of transfer. Here, the period of contravention ranges from 12 years 1 month to 12 years 1 month 18 days approximately. Whereas in terms of Regulation 10A(b)(i) read with Paragraph 10 of Schedule 1 of Notification No. FEMA 20/2000-RB dated 3rd May 2000, as then applicable, in case of transfer of shares or convertible debentures or warrants of an Indian company by way of sale from a Resident to Non-resident, the transferor/transferee resident shall report the transfer of shares in form FCTRS to AD bank as specified by the RBI from time to time, within 60 days from the date of payment of consideration or the date of transfer of shares, whichever is earlier.



3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/1460/14.66.003/2019-20 dated December 27, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant vide their e-mail dated December 27, 2019 stated that they are foregoing appearing for personal hearing and requested that the compounding application may be disposed of on the basis of merits in terms of the facts/submissions made therein along with the application and documents submitted. The application for compounding is, therefore, being considered on the basis of the averments made in the application.

4. I have given my careful consideration to the documents on record. Accordingly, I hold that the applicant has contravened Regulation 10A(b)(i) read with Paragraph 10 of Schedule 1 to Notification No. FEMA 20/2000-RB for delay in submission of form FC-TRS and the contravention relates to an amount of ₹ 50,000/- and the period of contravention ranges from 12 years 1 month to 12 years 1 month 18 days approximately.

5. It has been declared in the compounding application dated November 11, 2019 that the particulars given by the applicant in the application are true and correct to the best of their knowledge and belief. It has been declared in the declaration dated November 11, 2019 furnished with the 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 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 under this Order is 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 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 **₹ 23,297/- (Rupees Twenty Three Thousand Two Hundred and Ninety Seven Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contravention, namely, the contravention of Regulation 10A(b)(i) read with Paragraph 10 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 **₹23,297/- (Rupees Twenty Three Thousand Two Hundred and Ninety Seven Only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 1st Floor, Saifabad, Hyderabad - 500004 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Hyderabad 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 31st day of December 2019

Sd/-

(P Kalyan Chakravarthy)
Assistant General Manager