



In the

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

Present

Shri Kalyan Charavarthy. P
Assistant General Manager

Date: March 18, 2019
C.A. HYD 405

In the matter of

Mr. Madhusudana Sarma Susarla
3B Dalhousie, Hill County,
Nizampet Road, Qutubullapur,
K.V.Rangareddy, Hyderabad-500090

(Applicant)

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

Order

The applicant has filed the compounding application dated January 29, 2019 received on February 5, 2019 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 delay in reporting of Form FCTRS for the transfer of shares from resident to non-resident to the Reserve Bank of India in terms of Regulation 10 A (b)(i) read with Paragraph 10 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 3rd May 2000 as then applicable and as amended (hereinafter referred to as Notification no. FEMA 20/2000-RB).



2. The relevant facts of the case are as follows:

- (a) The applicant, Shri Madhusudana Sarma Susarla, a resident individual (PAN AIRPS8634D) has transferred 1000 equity shares held in M/s Agilience India Pvt Ltd, a company incorporated on 20.02.2008 (CIN: U72200TG2008PTC057715), to M/s Agilience Inc, a non-resident limited company.

Name of the resident Transferor	Name of the transferee, NRI	Number of shares transferred	Amount (₹)	Date of Transfer	Date of filing FCTRS
Madhusudana Sarma Susarla	Agilience Inc	1000	10000/-	26.03.2008	04.06.2009

- (b) The applicant has filed form FCTRS for the transfer of shares as shown below:

The applicant delayed in the filing of FCTRS beyond 60 days from the date of receipt of consideration in contravention of Regulation 10 A (b) (i) read with Paragraph 10 of Schedule 1 of FEMA 20. The period of contravention is 1 year 10 days approximately as shown above. Whereas in terms of Regulation 10 A (b) (i) of Notification No. FEMA 20/2000- RB dated 03.05.2000, as then applicable read with Paragraph 10 of Schedule 1 of FEMA 20, 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/1907/14.66.003/2018-19 dated March 12, 2019 for further submission in person and/or producing documents, if any, in support of the application.



(b) The applicant vide their email dated March 15, 2019 requested that the compounding application may be disposed of on the basis of documents submitted with our office. 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 10 A (b)(i) read with Paragraph 10 of Schedule 1 to Notification No. 20/2000-RB for delay in submission of Form FC-TRS and the contravention relates to an amount of ₹10,000/- and the period of contravention is 1 year 10 days approximately.

5. It has been declared in the compounding application dated January 29, 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 January 29, 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 contraventions which are 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 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 **₹ 514/- (Rupees Five Hundred and Fourteen Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contravention, namely, the contraventions of Regulation 10 A(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

