



In the

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

Present

Shri Kalyan Charavarthy. P
Assistant General Manager

Date: September 30, 2019
C.A. HYD 452

In the matter of

Mr. Raviprasad Pisupati
HNo. 14, 2nd phase,
Vasantha valley, Whitefields,
Kondapur, Hyderabad-500084

(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 there under, I pass the following

Order

The applicant has filed the compounding application dated September 3, 2019 received on September 6, 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 FC-TRS 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 (hereinafter referred to as Notification No. FEMA 20/2000-RB).



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

(a) The applicant, Shri Raviprasad Pisupati, a resident individual (PAN: AKYPP5699L) has transferred 9,999 equity shares held in M/s Thinci Semiconductor Technologies India Private Limited, a company incorporated on December 26, 2011 (CIN: U74120TG2011FTC078193), on July 31, 2012 to M/s Thinci Inc, a non-resident limited company.

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

Sl. no	Name of the transferor	Name of the transferee	Date of receipt of consideration	No. of shares transferred	Amount of consideration	Date of reporting in form FCTRS
1	Mr Raviprasad Pisupati, Resident	M/s Thinci Inc Non-Resident company	04/04/2012	9,999	99,990/-	06/05/2019

The applicant delayed in the filing of FC-TRS beyond 60 days from the date of receipt of consideration. Here, the period of contravention is 6 years 11 months 2 days approximately. Whereas in terms of Regulation 10 A (b) (i) of Notification No. FEMA 20/2000- RB dated 3rd May 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 FC-TRS to Authorised Dealer bank as specified by the Reserve Bank of India 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/734/14.66.003/2019-20 dated September 25, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant vide their email dated September 26, 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 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 ₹99,990/- and the period of contravention is 6 years 11 months 2 days approximately.

5. It has been declared in the compounding application dated September 3, 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 September 3, 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 **₹ 17,000/- (Rupees Seventeen Thousand 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 Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an



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amount ₹ 17,000/- (**Rupees Seventeen Thousand 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 30th day of September 2019

Sd/-

(Kalyan Chakravarthy P)
Assistant General Manager