



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

Present

Shri P. Pramod Kumar
General Manager

Date: March 17, 2020
C.A. HYD 505

In the matter of

Shri Lingamaneni Venkata Surya Raja Sekhar
D. No. 60-2-1/A, Lingamaneni Dream Homes
Gayatri Nagar, Vijayawada – 520 008

(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 had filed the compounding application dated January 31, 2020, received by us on February 03, 2020, for compounding of contravention of the provisions of the Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued thereunder. The contravention sought to be compounded is delay in submission of form FC-TRS on transfer of shares from Resident to Non-Resident in terms of Regulation 10A(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 May



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03, 2000 as amended from time to time (herein after referred to as Notification No. FEMA 20/2000-RB) as then applicable.

2. The applicant, Shri. Lingamaneni Venkata Surya Raja Sekhar, a resident individual, holding the shares of M/s Lingamaneni Educational Academic Foundation Private Limited, on non-repatriable basis, transferred the shares to M/s Futuretech Holding Company, a non-resident company. The details of the share transfer are as indicated below:

Sl No.	No. of shares transferred	Total amount of consideration (₹)	Date of receipt of consideration	Date of transfer	Date of filing FC-TRS
1	5,000	59,87,201	10.08.2016	10.08.2016	10.01.2020

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/ 2010 /14.66.003/2019-20 dated March 10, 2020 for further submission in person and/or producing documents, if any, in support of his application.

(b) The applicant, vide e-mail dated March 11, 2020, stated that he is opting out of the personal hearing and requested that the compounding application may be disposed of based on the facts & documents submitted by him. 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.

4. It has been declared in the compounding application dated January 31, 2020 that the particulars given by the applicant in the application are true and correct to the best of his knowledge and belief. It has been declared in the declaration dated January 31, 2020 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 him 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 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.

5. I have given my careful consideration to the documents on record and submissions made by the applicant. Accordingly, I hold that the applicant has, by delaying submission of form FC-TRS, contravened the FEMA provisions contained in Regulation 10A(b)(i) read with Paragraph 10 of Schedule 1 to FEMA Notification No. FEMA 20/2000-RB as amended from time to time. The contravention relates to an amount of ₹ 59,87,201/- and the duration of the contravention is 3 years 3 months.

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 and I consider that an amount of ₹ 32,750/- (**Rupees Thirty Two Thousand Seven Hundred and Fifty Only**) will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, 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 of ₹ 32,750/- (**Rupees Thirty Two Thousand Seven Hundred and Fifty Only**) which shall be deposited by the applicant with the Reserve Bank of India, Foreign



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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 03, 2000 shall apply.

The application is disposed of accordingly.

Dated this 17th day of March 2020.

Sd/-

(P. Pramod Kumar)

General Manager