



In the

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

Present

Shri. P Kalyan Chakravarthy
Assistant General Manager

Date: January 29, 2020
C.A. HYD 494

In the matter of

Smt. Ramani Reddy Jakkula
1-4-162/75 & 76, Maniksai Enclave
O U Teachers Colony, Sainikpuri
Hyderabad – 500 094

(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 January 07, 2020 received by us on January 14, 2020 for compounding of contraventions 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 03,



Compounding of contraventions under FEMA 1999
Smt. Ramani Reddy Jakkula
CA No. HYD 494

2000 (herein after referred to as Notification No. FEMA 20/2000-RB) as then applicable.

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

- a) There was a transfer of 4,999 shares of M/s Unislink Private Limited on July 08, 2016 from Resident, Shri. Ramani Reddy Jakkula (PAN No. AKFPJ8515N) to Non-Resident Company M/s Econoserve Solutions LLC.
- b) The applicant has filed form FC-TRS with a delay beyond the prescribed time as detailed in the table below:

Sl No.	Name of Resident Seller	Name of the Non-Resident Buyer	No. of shares transferred	Total amount of consideration (Rs)	Date of receipt of consideration	Date of transfer	Date of filing FCTRS
1	Ramani Reddy Jakkula	Econoserve Solutions LLC	4,999	64,987	08.07.2016	08 .07.2016	05.10.2016

The applicant had filed form FC-TRS with a delay of 27 days approximately beyond the prescribed time. Whereas in terms of Regulation 10A(b)(i) read with Paragraph 10 of Schedule 1 to FEMA Notification No. 20 dated May 03, 2000, 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/ 1643 /14.66.003/2019-20 dated January 27, 2020 for further submission in person and/or producing documents, if any, in support of the application.



(b) The applicant vide e-mail dated January 28, 2020 stated that they are foregoing appearing for the personal hearing and requested that the compounding application may be disposed of on the basis of merits in terms of the facts/submission made therein along with the compounding application. 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 the following FEMA provisions issued in terms of:-

Regulation 10A(b)(i) read with Paragraph 10 of Schedule 1 to FEMA Notification No. 20/2000-RB for delay in filing of form FC-TRS after receipt of consideration and the contravention relates to an amount of **Rs 64,987/-** and the period of contravention is 27 days approximately.

5. It has been declared in the compounding application dated January 07, 2020 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 07, 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 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 under 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 **Rs 10,083/- (Rupees Ten Thousand Eighty Three Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted 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 **Rs 10,083/- (Rupees Ten Thousand Eighty Three 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 03, 2000 shall apply.

The application is disposed of accordingly.

Dated this 29th day of January 2020.

Sd/-

(P Kalyan Chakravarthy)
Assistant General Manager