



In the

**Reserve Bank of India**  
Foreign Exchange Department  
Fort Glacis, No.16, Rajaji Salai  
Chennai 600 001

Present

**K Dhamodhiran**  
**Assistant General Manager**

Date: August 9, 2019  
**C.A. 894/2019**

In the matter of

**Shri Rajaram Hariprasad**  
No.147E, Sri Ramaperu Apartments  
6<sup>th</sup> cross, Sakthinagar West  
Thindal, Erode – 638 012

**(Applicant)**

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

**Order**

The applicant has filed a compounding application dated February 26, 2019 (received at Reserve Bank on March 11, 2019) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued there under. The contravention sought to be compounded is delay in reporting the transfer



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of shares from resident to non-resident i.e., delay in submission of FC-TRS in terms of Regulation 13.1(4) of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 notified vide Notification No. FEMA 20R/2017-RB dated November 07, 2017 and as amended from time to time (hereinafter referred to as Notification No. FEMA 20(R)/2017-RB)

2. The relevant facts of the case are as follows: The applicant, an individual by name Shri Rajaram Hariprasad, is a resident shareholder in the company M/s. GCI Healthcare Pvt Ltd., a private limited company incorporated under the Companies Act, 2013, on March 24, 2017, with CIN-U72900TZ2017PTC028684.

3. Shri Rajaram Hariprasad , the resident seller received a consideration of ₹50,045.00 on November 21, 2017 from a non-resident buyer, M/s. GCI Health Ltd., Malaysia, towards transfer of 5000 shares of M/s. GCI Healthcare Pvt Ltd. The transfer did not take place and the applicant refunded the consideration on March 8, 2019 with delay of one year one month 16 days approximately beyond the prescribed period of 60 days as detailed below:

No of Shares	Amount Involved (₹)	Date of Receipt of funds	Date of Refund
5000	50,045.00	21.11.2017	08.03.2019

Whereas in terms of Regulation 13.1(4) of Notification No. FEMA 20(R)/2017-RB, the form FC-TRS shall be filed within 60 days of transfer of Capital Instruments or receipt/ remittance of funds whichever is earlier. However, neither Form FCTRS was filed nor the share application money was refunded within 60 days of receipt of funds resulting in contravention of Regulation 13.1(4) of Notification No. FEMA 20(R)/2017-RB.

4. The applicant was advised about the contravention vide memorandum dated February 13, 2019. The applicant has filed a compounding application dated February 26, 2019. It has been declared in the compounding application 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 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/him/her thereafter. Accordingly, the above contravention which is being compounded in 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.

5. The applicant was given an opportunity for personal hearing vide Reserve Bank's mail dated August 05, 2019 for further submission in person and/or producing documents, if any, in support of the application. The applicant vide email dated August 07, 2019 conveyed that he is unable to attend the hearing which is scheduled on August 08, 2019. The applicant, in the compounding application, had admitted the contravention as stated in para 3 above for which compounding has been sought. It had been submitted that the delay was unintentional. 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.

6. I have given my careful consideration to the documents on record and submission made by the applicant in the compounding application. Accordingly, I hold that the applicant has contravened the following FEMA provision issued in terms of:

(a) Regulation 13.1(4) of Notification No. FEMA 20(R)/2017-RB, due to delay in filing Form FC-TRS as detailed in paragraph 3 above. The contravention relates to an amount of ₹50,045.00 and the duration of the contravention being one year one month 16 days approximately.

7. In terms of Section 13 of the FEMA, if any person contravenes any provision of the Act, or contravenes any rule, regulation, notification, direction or order issued in exercise of the powers under this Act, or contravenes any condition subject to which an



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authorization is issued by the Reserve Bank, he, upon adjudication, shall be liable to a penalty up to thrice the sum involved in such contravention. However, considering the circumstances which led to the delay and other relevant facts of the case, I consider that an amount of ₹2,828/- (Rupees two thousand eight hundred and twenty eight only) will meet the ends of justice.

8. Accordingly, I compound the admitted contravention namely, the contravention of Regulation 13.1(4) of Notification No. FEMA 20(R)/2017-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 ₹2,828/- (Rupees two thousand eight hundred and twenty eight only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Chennai - 600 001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Chennai 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 accordingly.

Dated this Ninth day of August 2019.

**Sd/-**  
**K Dhamodhiran**  
**Assistant General Manager**