



In the

**Reserve Bank of India**  
Foreign Exchange Department  
Fort Glacis, Rajaji Salai  
Chennai 600 001

Present

**Arundhati Mech**  
**Regional Director, Tamil Nadu and Puducherry and**  
**Chief General Manager, Chennai**

Date: April 8, 2019  
**C.A. 887/2018**

In the matter of

**M/s.SVL Limited**  
123, Angappa Naicken street  
Chennai- 600 001

**(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 March 1, 2019 (received at Reserve Bank on March 6, 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 of shares from resident to non-resident i.e., delay in submission of FC-TRS in terms of Regulation 10A (b)(i) read with Paragraph 10 of Notification No. FEMA



M/s. SVL Limited - C.A.887/2018

20/2000-RB dated May 3, 2000, as then applicable and as amended vide AP (DIR) Series Circular No.63 dated April 22, 2009.

2. The relevant facts of the case are as follows: The applicant, a company M/s. SVL Limited, a private limited company incorporated under the Companies Act, 1956 on September 17, 1986 with CIN U74900TN1986PLC013431, is a resident shareholder in the company M/s. Blackstone Group Technologies Pvt Ltd.

3. The applicant sold 374429 equity shares of ₹10/- each at a negotiated price of ₹31.83/- to the Non-Resident shareholder Shri Ashref Hashim, USA. The applicant reported the transfer in form FC-TRS to the Authorised Dealer bank as detailed below:

No of Shares	Negotiated Price ₹	Amount Involved (INR)	Date of receipt of consideration	Date of filing FC TRS with AD
374429	31.83	1,19,18,075.07	07.04.2016	12.09.2018

The applicant filed the form FC TRS on the date indicated above with delay of two years three months six days approximately beyond the prescribed period of 60 days. Whereas in terms of Regulation 10A (b)(i) read with Paragraph 10 of Notification No. FEMA 20/2000-RB as amended vide A.P (DIR Series) Circular No.63 dated April 22, 2009, the form FC-TRS should be submitted to the AD Category – I bank within 60 days from the date of receipt of consideration. The onus of submission of the form FC-TRS within the given timeframe would be on the transferor / transferee, resident in India.

4. The applicant was advised about the contraventions vide memorandum dated October 5, 2018. The applicant has filed a compounding application dated March 1, 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 contraventions which are being compounded in this



M/s. SVL Limited - C.A.887/2018

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. The applicant was given an opportunity for personal hearing vide Reserve Bank's mail dated April 1, 2019 for further submission in person and/or producing documents, if any, in support of the application. The applicant appeared for the personal hearing on April 3, 2019 during which Shri M Alagar, Practising Company Secretary and Shri Srinivasan P, Company Secretary represented the applicant. The authorized representatives of the applicant 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 provisions issued in terms of:

(a) Regulation 10A (b)(i) read with Paragraph 10 of Notification No. FEMA 20/2000-RB as amended vide A.P (DIR Series) Circular No.63 dated April 22, 2009 due to delay in filing form FC-TRS with the Authorised Dealer. The contravention relates to an amount of ₹1,19,18,075.07 and the duration of the contravention being two years three months six 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 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



M/s. SVL Limited - C.A.887/2018

that an amount of **₹1,26,500/-** (Rupees one lakh twenty six thousand five hundred only) will meet the ends of justice.

8. Accordingly, I compound the admitted contravention namely, the contravention of Regulation 10A (b)(i) read with Paragraph 10 of Notification No. FEMA 20/2000-RB as amended vide A.P (DIR Series) Circular No.63 dated April 22, 2009 by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of **₹1,26,500/-** (Rupees one lakh twenty six thousand five hundred 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 Eighth day of April, 2019.

**Sd/-**

**Arundhati Mech**

**Regional Director, Tamil Nadu and Puducherry and  
Chief General Manager, Chennai**