



In the

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

Present

Shri Kalyan Charavarthy. P
Assistant General Manager

Date: February 18, 2019
C.A. HYD 373

In the matter of

Mr. A Raja Gopala Raju
Vishnu Blue Lotus, APT 12, Road No. 3
Banjara Hills, Hyderabad, Telangana- 500034.

(Applicant)

In exercise of the powers conferred under Section 15 (1) 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 November 30, 2018 received on December 11, 2018 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 filing form FC-TRS for transfer of shares from Non-resident to resident in terms of Regulation 10 B (2) read with Paragraph 10 of Schedule 1 to Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) notified vide Notification No. FEMA.20/2000-RB dated 3rd May 2000 and as amended from time to time (hereinafter referred to as Notification No. FEMA 20 /2000-RB) as then applicable.



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

- (a) The applicant, Shri A Raja Gopala Raju, a resident individual (PAN ACCPA8533A) has acquired 100 equity shares from Mr. Raghu Nath Bathina, NRI, in M/s Patient Focus Pvt Ltd, a company incorporated under the Companies Act of 2013 on 10.12.2015 (CIN: U93000TG2015PTC102156).
- (b) The applicant has filed form FCTRS for the transfer of shares as shown below:

Name of the Non-resident Transferor	Name of the resident transferee	Number of shares transferred	Amount (₹)	Date of Transfer	Date of filing FCTRS
Raghu Nath Bathina	A Raja Gopala Raju	100	1000.00	22.02.2016	30.05.2018

The applicant delayed in the filing of FCTRS beyond 60 days from the date of receipt of consideration in contravention of Regulation 10 B (2) read with Paragraph 10 of FEMA 20. The period of contravention is 2 years 1 month 8 days approximately as shown above. Whereas in terms of Regulation 10 B (2) read with Paragraph 10 of Schedule 1 to Notification No. FEMA 20/2000-RB, a resident individual in accordance with these Regulations has to submit a report in Form FC-TRS along with documents prescribed therein to Reserve Bank within 60 days from the date of transfer shares. The onus of submission of the form FC-TRS within the given time frame would be on the transferor/transferee resident in India.

3. The authorized representative, Ms. Megha Saklani, on behalf of the applicant, vide letter dated January 30, 2019 stated that they are foregoing appearing for the personal hearing and requested that the compounding application may be disposed off 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 Regulation 10 B (2) read with Paragraph 10



of Schedule 1 to Notification No. 20/2000-RB for delay in submission of Form FC-TRS after the transfer of shares from persons resident outside India and the contravention relates to an amount of ₹ 1000/- and the period of contravention is 2 years 1 month 8 days approximately.

5. It has been declared in the compounding application dated November 30, 2018 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 November 30, 2018 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. 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 ₹ 105/- (**Rupees One Hundred Five Only**) will meet the ends of justice.

7. Accordingly, I compound the admitted contravention, namely, the contraventions of Regulation 10 B (2) 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 ₹ 105/- (**Rupees One Hundred Five 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



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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 18th day of February 2019

Sd/-

(Kalyan Chakravarthy P)

Assistant General Manager