



In the

**RESERVE BANK OF INDIA**

Foreign Exchange Department

6, Sansad Marg

New Delhi-110001

Present

**Md. Shakir Hasan**

**Assistant General Manager**

Date: July 15, 2019

CA No. NDL 393/2019

In the matter of

**Rivigo Employee Stock Options Trust**

Plot No. 90, Sector – 44, Gurugram, Haryana- 122003

**(Applicant)**

In exercise of the powers under Section 15(1) of Foreign Exchange Management Act, 1999 and the Regulations/ Rules/ Notifications/ Orders made thereunder, I pass the following Order.

**ORDER**

The applicant has filed the compounding application dated February 14, 2019 (received at Reserve Bank of India, New Delhi on February 21, 2019) for compounding of contravention of the provisions of the Foreign Exchange Management Act, 1999 (hereinafter referred to as FEMA) and the regulations issued thereunder. The contravention sought to be compounded is of delay in reporting transfer of shares from Non-Resident to Resident in Form FC-TRS in terms of Regulation 10B(2) 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 3, 2000 (hereinafter referred to as FEMA 20/2000-RB), as amended from time to time.



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

(a) The applicant, a resident trust, had acquired 380 equity shares of M/s Rivigo Services Private Limited, a resident company, from M/s Saif Partners India V Ltd, Mauritius, a non-resident company on December 29, 2016 for a consideration amount of ₹380/- (Rupees Three Hundred and Eighty only) paid on December 29, 2016. The applicant reported the transfer of the said shares in Form FC-TRS on September 26, 2018. There was, thus, a delay of 1 year and 7 months in reporting the transfer of shares beyond the prescribed time period of 60 days from the date of payment of the amount of consideration.

(b) Whereas, in terms of Regulation 10B(2) of FEMA 20/2000-RB, a person resident outside India, may transfer share or convertible debenture of an Indian company, without the prior permission of the Reserve Bank, by way of sale, to a person resident in India subject to the adherence to pricing guidelines, documentation and reporting requirements for such transfers as may be specified by Reserve Bank from time to time. And, in terms of paragraph 10 of Schedule 1 to FEMA 20/2000-RB, in case of transfer of shares of an Indian company by way of sale from a person resident in India to a person resident outside India or vice versa, the transferor/ transferee, resident in India, shall submit to the AD bank a report in the Form FC-TRS, as specified by the Reserve Bank from time to time, within 60 days from the date of receipt or payment of the amount of consideration. The onus of submission of the Form FC-TRS within the specified time shall be on the transferor/ transferee, resident in India.

(c) Thus, there is contravention of Regulation 10B(2) read with paragraph 10 of Schedule 1 to FEMA 20/2000-RB, as then applicable.

3. The applicant was given an opportunity for personal hearing for further submission in person and/or by producing documents, if any, in support of the application. Shri Shekhar Sharma, Assistant Company Secretary and Ms. Pooja Aggarwal, Chartered Accountant appeared for personal hearing on May 2, 2019 on behalf of the applicant. The representatives of the applicant admitted the contravention committed by the applicant for which compounding has been sought. During the personal hearing, they submitted that delay was without any *malafide* or wilful intention but were mainly due to inadvertence. They requested for a lenient view in the matter. The application for compounding is, therefore, being considered on the



basis of averments made in the application as well as other documents and submissions made during the personal hearing.

4. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. It was observed that the applicant had contravened the provisions of Regulation 10B(2) read with paragraph 10 of Schedule 1 to FEMA 20/2000-RB. The amount of contravention is ₹380/- (Rupees Three Hundred and Eighty only) and the period of contravention is 1 year and 7 months.

5. It has been declared in the compounding application dated February 14, 2019 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 undertaking dated April 9, 2019 furnished as part of compounding application that the applicant is 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 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.

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. After considering the submissions made by the applicant and the facts and circumstances of the case, I am persuaded to compound the contravention, in line with the Guidance Note on Computation Matrix prescribed as part of Master Direction – Compounding of Contraventions, framed in accordance with the Foreign Exchange (Compounding Proceedings) Rules 2000. Accordingly, it stands to reason that payment of an amount of **₹30/- (Rupees Thirty only)** will meet the ends of justice in the circumstances of this case

7. Accordingly, I compound the admitted contraventions of Regulation 10B(2) read



with paragraph 10 of Schedule 1 to FEMA 20/2000-RB, as then applicable, by the applicant based on the facts detailed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of **₹30/- (Rupees Thirty only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 6, Sansad Marg, New Delhi-110001 by a demand draft drawn in favour of the “Reserve Bank of India” and payable at New Delhi 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 the 15th day of July 2019.

Sd/-  
**(Md. Shakir Hasan)**  
**Assistant General Manager**