



In the

Reserve Bank of India
Foreign Exchange Department
Mumbai Regional Office
Main Building, 3rd floor
Shahid Bhagat Singh Marg, Fort
Mumbai 400 001

Present

Shri S. V. Potphode
Assistant General Manager

Date: May 10, 2019

C.A. No. MUM 847/2019

In the matter of

Coincept Accounting Solutions Private Limited
1st floor , Amar Avinash Corporate City,
Bund Garden Road, above HSBC Bank ,
Pune - 411001

(Applicant)

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

Order

1. The applicant has filed a compounding application dated February 13, 2019, (received at the Reserve Bank of India on March 05, 2019) 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 for delay in submission of form FC-TRS on transfer of shares from Resident to Non-Resident, in contravention of Regulation 10 A (b) (i) read with paragraph 10 of Schedule I to Foreign Exchange Management Regulations, 2000



notified vide Notification No. FEMA 20/RB-2000 dated May 3, 2000 as amended from time to time (hereinafter referred to as Notification No. FEMA 20/2000-RB).

2. The relevant facts of the case are as follows: Mrs. Kuntal Sahni, Indian Resident transferred 22500 equity shares of M/s Coincept Accounting Solutions Private Limited, held by her to M/s Bokoredo AB, Sweden (Non- resident), as indicated below:

S No	Date of inward remittance (DD-MM-YY) (1)	amount received (in INR)	Date of transfer (DD-MM-YY) (2)	Date of filing Form FCTRS (DD-MM-YY)	Delay above 60 days*
1	01-03-18	1,500.00	28-09-17	27-06-18	0Y 1M 26D
2	22-02-18	2,24,017.54	28-09-17	27-06-18	0Y 2M 5D
	TOTAL	2,25,518.00			

The form FCTRS was filed on June 27, 2018 with a delay ranging from 1M 26D to 2M 5D, thereby contravening the provision of Regulation 10 A (b) (i) read with paragraph 10 of Schedule I to Notification No. FEMA 20/2000-RB, in terms of which in case of transfer of shares or convertible debentures 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 specified by 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. The applicant company has filed a compounding application on behalf of Mrs. Kuntal Sahni, Resident.

3. The applicant was given an opportunity for personal hearing vide email dated April 03, 2019 and April 22, 2019 for further submission in person and/or producing documents, if any, in support of application. The personal hearings took place on April 08, 2019 and April 25, 2019, during which Shri Rohan Vhora, Practising Company Secretary and Shri Ashutosh Sakhalkar, Chartered Accountant represented the applicant in the cabin of Shri S. V. Potphode, Assistant General Manager, Foreign Exchange Department, Mumbai Regional Office. The



representatives of the applicant admitted the contravention committed by the applicant for which compounding has been sought. During the personal hearing, it was submitted that there was no mala fide intention by the applicant and the contravention was inadvertent. The representatives of the applicant requested that in view of the foregoing, a lenient view may be taken in disposal of the application. 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 during personal hearing and thereafter.

4. I have given my careful consideration to the documents on record and submission made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened the FEMA provisions issued in terms of Regulation 10 A (b) (i) read with paragraph 10 of Schedule I to Notification No. FEMA 20/2000-RB. The amount of contravention is Rs.2,25,518/- (Rupees Two Lakh Twenty Five Thousand Five Hundred Eighteen Only) for a period ranging from 1 Month 26 Days to 2 Months 5 Days, approximately.

5. It has been declared in the compounding application dated February 13, 2019, 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 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. 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 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 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. 10,417/- (Rupees Ten Thousand Four Hundred and Seventeen Only) will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, the contravention of Regulation 10 A (b) (i) read with paragraph 10 of Schedule I 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 Rs. 10,417/- (Rupees Ten Thousand Four Hundred and Seventeen Only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 3rd Floor, Main Building, Fort, Mumbai – 400001 by a demand draft drawn in favour of the “Reserve Bank of India” and payable at “Mumbai” 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 Proceeding) Rules, 2000 dated May 3, 2000 shall apply.

8. The above order is passed only in respect of contravention of Regulation 10 A (b) (i) read with paragraph 10 of Schedule I to Notification No. FEMA 20/2000-RB and does not restrict the right of any other authority to proceed against the Company for any other violations/contraventions noticed at any point of time.

The application is disposed of accordingly.

Dated: May 10, 2019

(S. V. Potphode)
Assistant General Manager