



In the

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

Present

P Kalyan Chakravarthy
Assistant General Manager

Date: December 27, 2018
C.A. HYD 329

In the matter of

Shri. Jeetender Prashad
H. No. 4-7-377
Esamia Bazar
Hyderabad
Telangana – 500 027

(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 September 05, 2018 received on the same date 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 reporting the transfer of shares in form FC-TRS beyond the stipulated time period in terms of Paragraph 10(i) 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 03, 2000 (hereinafter referred to as Notification No. FEMA 20/2000-RB) as then applicable.



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

- a) The applicant is a resident shareholder of M/s. Kerasoft Eyecare Private Limited (CIN: U33201TG2010PTC087427) holding 9999 equity shares of the company. The applicant received an inward remittance of ₹ 1,48,903.91 from M/s. Contact Lens Precision Laboratories Limited (purchaser), through M/s. Ultravision International Limited, which is a wholly owned subsidiary of the purchaser on September 14, 2015 towards sale purchase agreement for transfer of 9500 equity shares to the purchaser by the applicant.
- b) Pursuant to the remittance, the form FC-TRS filed by the applicant is not certified by the Authorized Dealer due to certain discrepancies in the submission of documents and the applicant continues to remain the legal owner of 9500 shares as on date. On account of non-transfer of shares, the applicant and the purchaser mutually agreed to unwind the transaction and hence the applicant has remitted the said amount to the remitter, M/s. Ultravision International Limited on December 19, 2018. Here the amount of contravention is ₹1,48,903.91 and the period of contravention is 3 years 15 days approximately as indicated below:

SI No	Name of the Remitter	Date of receipt	Amount received (INR)	Date of seeking RBI approval for refund
1	Ultravision International Limited	14.09.2015	148903.91	28.11.2018
	Total		1,48,903.91	

Whereas in terms of Paragraph 10(i) of Schedule 1 to FEMA Notification No. 20 dated May 03, 2000, 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 as specified by the Reserve Bank from



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time to time within 60 days from the date of receipt or payment of the amount of consideration. Though the para does not deal with the transfer of shares per se, any contravention related to requirements regarding the process of transfer of shares will fall under Paragraph 10(i) of Schedule 1 to FEMA Notification No. 20 dated May 03, 2000.

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/1246/14.66.003/2018-19 dated December 24, 2018 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant appeared for personal hearing on December 26, 2018 during which Shri. Jeetender Prashad admitted the contravention for which the compounding has been sought and submitted that the delay was not wilful or with a malafide intention but was on account of delay in submission of documents to the AD bank. In view of the foregoing, the representative of the applicant requested to take a lenient view 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 the submissions made in this context by the applicant during the personal hearing.

4. I have given my careful consideration to the documents on record. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:-

(a) Paragraph 10(i) of Schedule 1 to Notification No.20/2000-RB dated May 03, 2000 for non-filing of form FC-TRS and the contravention relates to an amount of ₹ 1,48,903.91 with a delay of 3 years 15 days approximately.

5. It has been declared in the compounding application dated September 05, 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 27, 2018 furnished with the compounding application that the applicant



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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 ₹ 13,080/- (**Rupees Thirteen Thousand Eighty Only**) will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contravention of Paragraph 10(i) 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 ₹ 13,080/- (**Rupees Thirteen Thousand Eighty 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 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 27th day of December 2018



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Sd/-

(P Kalyan Chakravarthy)
Assistant General Manager