



**In the  
Reserve Bank of India  
Foreign Exchange Department  
7th Floor, Gera's Imperium-II,  
EDC Complex, Patto Plaza,  
Panaji 403 001, Goa, INDIA**

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Present

**Shri S. T. Kannan  
General Manager**

**Date: July 11, 2018**

**CA No: PAN12**

In the matter of

**Shri Amol Ashok Walke  
D-29, Sushila, Mapusa Housing Board Colony,  
Mapusa, Goa – 403 507  
(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 May 29, 2018 (received at Reserve Bank of India, Panaji on May 31, 2017) for compounding of contravention 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 that the applicant has delayed the filing of form FC-TRS in terms of Regulation 10(A)(b)(i) read with paragraph 10 of Schedule I 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 3rd, 2000 and 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: The applicant was born on October 31, 1983 and resides at D-29, Sushila, Mapusa Housing Board Colony, Mapusa, Goa – 403 507. He has received Rs.88,62,305.60 from M/s Harcros (India) LLC, USA towards transfer of equity shares of three Indian companies listed below on May 09, 2017 and filed forms FC-TRS to AD bank on September 12, 2017 –

Sr. No.	Investee Company	No. of Shares Transferred	Amount Received from Investor (Rs.)
1	M/s Esteem Industries Pvt Ltd	2500	67,34,925.00
2	M/s Grand Organics Pvt Ltd	1500	7,71,930.00
3	M/s Venus Ethoxyethers Pvt Ltd	740	13,55,450.60
	<b>Total</b>	<b>4740</b>	<b>88,62,305.60</b>

Reserve Bank, Panaji Regional Office, Panaji vide letter no. PNJ.FED: 369 / 02.07.005 / 2017-18 dated January 09, 2018 advised the AD bank to take forms FC-TRS on record. The delay in filing forms FC-TRS is in contravention of Regulation 10(A)(b)(i) read with paragraph 10 of Schedule I to Notification No. FEMA 20/2000-RB. Whereas in terms of Regulation 10(A)(b)(i) read with paragraph 10 of Schedule I, the transferor or transferee resident has to adhere to the reporting requirements as specified by the Reserve Bank from time to time. Further, in terms of A.P.(DIR Series) Circular No. 63 dated April 22, 2009, form FC-TRS should be submitted to the AD Category-I bank, within 60 days from the date of receipt/payment of the amount of consideration.

3. The applicant was given an opportunity for personal hearing vide the Reserve Bank's letter no. PNJ.FED: 744 / 02.07.005 / 2017-18 dated June 26, 2018 for further submission in person and/or producing documents, if any, in support of the application. The applicant vide e-mail dated July 05, 2018 chose not to



appear for the personal hearing as per the option available to him. The applicant, in the compounding application, has admitted the contravention as stated above for which compounding has been sought. It has been submitted that the delays were on account of various technical objections/queries raised by the AD bank requiring resubmission on three occasions. 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.

4. It has also been declared in the compounding application dated May 29, 2018, 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 subsequently declared in the declaration furnished as an addendum to 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 been informed of initiation of any such enquiry/investigation/adjudication proceedings against him 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.

5. I have given my careful consideration to the documents on record and in the compounding application. 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 due to delay in filing of Form FC-TRS on transfer of shares from resident to a non-resident with their designated AD bank as detailed in paragraph 2 above. The contravention relates to an amount of Rs.88,62,305.60 and the period of contravention is 2 months 2 days on three occasions.



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, after considering the relevant facts of the case and the circumstances of the case as stated in the foregoing paragraphs, I am inclined to take a lenient view on the amount for which the contravention is to be compounded and I consider that an amount of **Rs.12,625/- (Rupees Twelve Thousand Six Hundred Twenty Five only)** meets the end of justice.

7. Accordingly, I compound the admitted contravention namely the contravention of Regulation 10(A)(b)(i) of Notification No. FEMA 20/2000-RB by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceeding) Rules, 2000 on payment of an amount of **Rs.12,625/- (Rupees Twelve Thousand Six Hundred Twenty Five only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Gera Imperium II, 7<sup>th</sup> Floor, EDC, Patto Plaza, Panaji, Goa 403 001 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 Proceedings) Rules, 2000 dated May 3, 2000 shall apply.

The application is disposed of accordingly.

Dated this the eleventh day of July, 2018

Sd/-

**(S. T. Kannan)**  
**General Manager**