



In the

**Reserve Bank of India**  
Foreign Exchange Department  
Fort Glacis, Rajaji Salai  
Chennai 600 001

Present

**Arundhati Mech**  
**Regional Director**

Date : February 08, 2017  
**C.A. 598/2016**

In the matter of

**Shri Ramu Annamalai Ramasamy**  
25, 70 Feet Road,  
Kaveri Nagar, Saidapet,  
Chennai-600015

**(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 November 04, 2016 (received at Reserve Bank on November 04, 2016) for compounding of contraventions 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 delay in reporting the transfer of shares by resident to non-resident i.e., delay in submission of



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FC-TRS in terms of Regulation 10 A (b) of Notification No. FEMA 20/2000-RB as amended vide AP (DIR) Series Circular No.63 dated April 22, 2009.

2. The relevant facts of the case are as follows: The applicant, an individual by name Shri Ramu Annamalai Ramasamy was allotted 325354 equity shares in the company M/s.GI Retail Pvt Ltd., a private limited company incorporated under the Companies Act, 1956 on June 24, 2009 with CIN U72900TN2009PTC072064. The applicant has transferred 8276 equity shares to two Non Resident companies.

3. The applicant had received three inward remittances of amounting to ₹ 2,41,36,088/- between 24.09.2014 and 06.02.2015 from the non-resident buyers and transferred 8276 equity shares of M/s GI Retail Pvt Ltd to the Non Resident Buyers. The applicant reported the transfer in form FC-TRS to the Authorised Dealer bank as detailed below:

No of Shares	Amount Involved (INR)	Date of transfer of shares/ receipt of inward remittance	Date of reporting to AD
21	61,070	24.09.2014	27.08.2015
4194	1,21,96,639	29.09.2014	27.08.2015
4061	1,18,78,379	06.02.2015	07.01.2016

The applicant filed the transfer on the dates indicated above with delay ranging from eight months 29 days to nine months three days approximately beyond the prescribed period of 60 days. Whereas in terms of Regulation 10 A (b) of Notification No. FEMA 20/2000-RB as amended vide A.P (DIR Series) Circular No.63 dated April 22, 2009, the form FC-TRS should be submitted to the AD Category – I bank within 60 days from the date of receipt of the amount of consideration. The onus of submission of the form FC-TRS within the given timeframe would be on the transferor / transferee, resident in India.

4. The applicant was given an opportunity for personal hearing vide Reserve Bank's mail dated February 03, 2017 for further submission in person and/or producing documents, if any, in support of the application. The applicant appeared for the personal



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hearing on February 08, 2017 during which Shri L.Selvaraj, Chief Finance Officer represented the applicant. The authorized representative of the applicant admitted the contraventions as stated in para 3 above committed by the applicant for which compounding has been sought. During the personal hearing, it was submitted that the delays were unintentional. In view of the above, they requested to take a lenient view in the matter. 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.

5. I have given my careful consideration to the documents on record and submission made by the applicant in the compounding application. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:

(a) Regulation 10 A (b) of Notification No. FEMA 20/2000-RB as amended vide A.P (DIR Series) Circular No.63 dated April 22, 2009 due to delay in filing form FC-TRS with the Authorised Dealer. The contravention relates to an amount of ₹ 2,41,36,088/- and the duration of the contravention ranging from eight months 29 days to nine months three days approximately;

6. In terms of Section 13 of the FEMA, if any person contravenes any provision of the Act, or contravenes any rule, regulation, notification, direction or order issued in exercise of the powers under this Act, or contravenes any condition subject to which an authorization is issued by the Reserve Bank, he, upon adjudication, shall be liable to a penalty up to thrice the sum involved in such contravention. However, considering the circumstances which led to the delay and other relevant facts of the case, I consider that an amount of ₹ **89,830/-** (Rupees eighty nine thousand eight hundred and thirty only) will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, the contravention of Regulation 10 A (b) of Notification No. FEMA 20/2000-RB as amended vide A.P (DIR



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Series) Circular No.63 dated April 22, 2009 by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of **₹ 89,830/-** (Rupees eighty nine thousand eight hundred and thirty only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Chennai - 600 001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Chennai 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 Eighth day of February, 2017.

**Sd/-**

**Arundhati Mech  
Regional Director**