



In the

**Reserve Bank of India**  
Foreign Exchange Department  
Third Floor  
15, Netaji Subhas Road  
Kolkata – 700 001

Present

**Rekha G. Warriar**  
**Regional Director for West Bengal and Sikkim**

Date: March 23, 2017  
C.A.052 /2016

In the matter of

**Ms Savitri Devi Chowdhury**  
C/o Titagarh Wagons Limited  
756 Anandapur, E.M.Bypass  
Kolkata – 700 107  
West Bengal

**(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 October 17, 2016 (received at the Reserve Bank on October 20, 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 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 3<sup>rd</sup>, 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 December 6, 1947 and resides at 10F, Alipore Park Place, Kolkata – 700 027. She has entered in a share purchase agreement with M/s GE Capital International, Mauritius to sell 8,64,440 equity shares of M/s Titagarh Wagons Ltd of face value Rs 10/- per share on July 6, 2007. The applicant received Rs 44,00,00,000 (USD 10,916,759.71) towards transfer of 8,64,440 equity shares from M/s GE Capital International, Mauritius on August 13, 2007 and filed form FC-TRS to AD bank on March 23, 2016.

Reserve Bank, Kolkata Regional Office, Kolkata vide letter dated September 20, 2016 advised the AD bank to take form FC-TRS on record and AD certified the form FC-TRS on September 20, 2016. The delay in filing form 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.KOL.FED.FID.2831/03.40.151/2016-17 dated March 15, 2017 for further submission in person and/or producing documents, if any, in support of the application. Shri Dinesh Arya (Company Secretary) appeared for personal hearing on behalf of the applicant on March 23, 2017. They admitted to committing the contraventions as stated in paragraph 2 above for which compounding has been sought. During the personal hearing, the applicant submitted that the delay was inadvertent and without malafide intention and was caused due to lack of guidance and knowledge on filing form FC-TRS and 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 submission made in this context by the applicant during personal hearing and thereafter.

4. I have given 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 due to delay in filing of



Form FC-TRS on transfer of shares from a non-resident to resident with their designated AD bank as detailed in paragraph 2 above. The contravention relates to an amount of Rs.44,00,00,000/- and the period of contravention is 8 years 5 months 10 days approximately.

5. 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 8,50,000/- (Rupees Eight lakh Fifty Thousand only)** meets the end of justice.

6. 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 8,50,000/- (Rupees Eight lakh Fifty Thousand only)** which is to be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Third Floor, 15 N.S. Road, Kolkata- 700 001 by a demand draft drawn in favour of "Reserve Bank of India" and payable at "Kolkata" 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 03, 2000 shall apply.

The application is disposed of accordingly.

Dated this the twenty third day of March, 2017.

Sd/-

(Rekha G. Warriar)

Regional Director