



In the

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

Present

R Kesavan
Chief General Manager

Date : May 25, 2017
C.A. 663/2017

In the matter of

M/s.Panasonic Appliances India Co. Ltd.
(Formerly Panasonic Home Appliances India Co. Ltd.)
(Formerly Indo Matsushita Appliances Co. Ltd.)
National Highway No.5, Sholavaram Village,
Thiruvallur District
Chennai- 600 067

(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 April 21, 2017 (received at Reserve Bank on April 25, 2017) 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



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transfer of shares by resident to non-resident i.e., delay in submission of FC-TRS in terms of Regulation 10 A (b) (i) read with Paragraph 10 of Schedule 1 to 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 company was incorporated on September 09, 1988 under the provisions of the Companies Act, 1956 (Registration No. U30007TN1988PLC016184) and is engaged in Business of manufacture of domestic appliances.

3. M/s Panasonic Corporation, Japan as the holding company of the applicant company has acquired equity shares held by public shareholders in accordance with the Delisting Regulations of SEBI. The delisting price to acquire the equity shares from the public shareholders was arrived at ₹ 380/- per share. Accordingly Panasonic Japan has transferred the money to an escrow account opened for the purpose. Panasonic Japan has also provided a 12-month exit window to the shareholders in accordance with the Delisting Regulations. The amount was transferred from the escrow account to the individual shareholders on the date of transfer. During the said period Panasonic Japan acquired shares on a monthly basis and the relevant FC TRS were filed with the AD Bank. Five of the form FC TRS for transfer of shares between 21.12.2015 and 20.05.2016 were filed with 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
3176	12,06,880	21.12.2015	30.06.2016
3735	14,19,300	22.01.2016	30.06.2016
1803	6,85,140	17.02.2016	30.06.2016
3954	15,02,520	18.03.2016	30.06.2016
22203	84,37,140	20.05.2016	23.08.2016

The applicant filed the Form FC TRS on the dates indicated above with delay ranging from one month three days to four months nine days approximately beyond the



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prescribed period of 60 days. Whereas in terms of Regulation 10 A (b) (i) read with Paragraph 10 of Schedule 1 to 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 vide letter dated April 21, 2017 chose not to appear for any personal hearing for any further submission in person and/or producing documents, if any, in support of the application. The applicant, in the compounding application, had admitted the contravention as stated in para 3 above for which compounding has been sought. It had been submitted that the delays were unintentional. 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.

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) (i) read with Paragraph 10 of Schedule 1 to 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 ₹ 1,32,50,980/- and the duration of the contravention ranging from one month three days to four months nine 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



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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 ₹ 13,740/- (Rupees thirteen thousand seven hundred and forty 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 1 to Notification No. FEMA 20/2000-RB as amended vide A.P (DIR 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 ₹ 13,740/- (Rupees thirteen thousand seven hundred and forty 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 Twenty fifth day of May, 2017.

Sd/-

R Kesavan
Chief General Manager