



In the

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

Present

N Sara Rajendra Kumar
General Manager

Date: July 14, 2017
C.A. HYD 220

In the matter of

Shri Kalluri Punnaiah Choudary
Shri Lakshmi Shubham Arcade Spoorthy
Block E #205,
Vidya nagar Colony, Chanda Nagar
Hyderabad 500050

(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 June 12, 2017 received on June 14, 2017 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 (i) Delay in filing FCTRS in terms of Regulation 10(A)(b)(i) ibid read with Paragraph 10 of Schedule 1 to Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) notified vide Notification No. FEMA.20/2000-RB dated 3rd May 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:



- (a) The applicant, a resident Indian, received foreign inward remittance from M/s. AdeptPros Inc, New york towards Stock Purchase Agreement of 6000 equity shares which he held in AdeptPros IT solutions Pvt. Ltd.
- (b) The applicant delayed in the filing of FCTRS with delays beyond 60 days from the date of receipt of consideration in contravention of Regulation 10 (A) (b) (i) read with Paragraph 10 of FEMA 20.

Sl. No	Name of the transferee	Date of receipt of share application money	Date of transfer of shares	Number of shares	Amount (Rs.)	Date of filing form FC-TRS
1	AdeptPros Inc.	22.05.2014	22.05.2014	1500	1500000	02.03.2017
2	AdeptPros Inc.	24.06.2014	24.06.2014	4500	4500000	02.03.2017
			Total	6000	6000000	

The applicant filed Form FC-TRS for issue of shares amounting to ₹60,00,000/- with a delay ranging from 2 years 6 months 7 days to 2 years 7 months 9 days approximately beyond the prescribed limit. Whereas in terms of Regulation 10 (A) (b)(i) read with Paragraph 10 of Schedule 1 to Notification No. FEMA 20/2000-RB, a resident individual in accordance with these Regulations has to submit to Reserve Bank within 60 days from the date of transfer shares a report in Form FC-TRS along with documents prescribed therein.

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/39/14.66.003/2017-18 dated July 06, 2017 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant vide letter dated July 06, 2017 stated that he is foregoing appearing for the optional personal hearing and requested the disposal of the compounding application based on the documents submitted along with the application. The application for compounding is, therefore, being considered on the basis of the averments made in the application



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) Regulation 10(A)(b)(i) read with Paragraph 10 of Schedule 1 to Notification No. 20/2000-RB for delay in submission of Form FC-TRS after receipt of money for transfer of shares to persons resident outside India and the contravention relates to an amount of ₹60,00,000/- with the period of contravention ranging from 2 years 6 months 7 days to 2 years 7 months 9 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, 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 Rs. 34,710/- (Rupees Thirty Four Thousand Seven Hundred Ten Only) will meet the ends of justice.

6. 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 by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of Rs. 34,710/- (Rupees Thirty Four Thousand Seven Hundred Ten 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 14th day of July 2017

Sd/-

(N Sara Rajendra Kumar)
General Manager