



In the

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

Present

C. Nageswara Rao  
Deputy General Manager

Date: November 08, 2017  
C.A. HYD 239

In the matter of

Shri Ravula Sirish Kumar  
253/3, RT, Vijaya Nagar Colony  
Hyderabad-500057

**(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 August 17, 2017 received on August 18, 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 delay in filing form FC-TRS towards reporting of transfer of shares from Resident to Non-resident 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, Shri Ravula Sirish Kumar, a resident individual (PAN ACZPR6294C) was the holder of 24510 equity shares in RA Chem Pharma Ltd, a company incorporated under the Companies Act of 1956 on January 08, 1996. The applicant had transferred 24510 equity shares of M/s RA Chem Pharma Limited for a consideration amounting to ₹30,00,000/- as per following details:

Name of the Non-resident Transferee	Number of shares transferred	Amount (₹)	Date of Transfer	Date of Receipt of consideration	Date of filing FCTRS
1575773 Ontario Inc.	24510	30,00,000	25-09-2009	25-09-2009	17-09-2016

The applicant delayed in the filing of FCTRS 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. The period of contravention is 6 years 9 months 24 days approximately from the date of receipt of consideration to the date of filing of FC-TRS.

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. The onus of submission of the form FC-TRS within the given time frame would be on the transferor/transferee resident in India.

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/803/14.66.003/2016-17 dated November 02, 2017



for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant appeared for personal hearing on November 03, 2017 along with

Shri N.V. Ramana Rao, GM-Finance, RA Chem Pharma Ltd, during which Shri Ravula Sirish Kumar admitted the contraventions for which the compounding has been sought. During the personal hearing, it was submitted that the contravention was neither wilful nor with a malafide intention. In view of the foregoing, the applicant requested to take a lenient view in disposal of the application. The application for compounding is, therefore, being considered on the basis of the averments made in the application as well the submissions made in this context by the applicant during the personal hearing.

4. I have given my careful consideration to the documents on record. Accordingly, I hold that the applicant has contravened the following FEMA provision 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 ₹30,00,000/- and the period of contravention being 6 years 9 months 24 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 upto 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 ₹27,075/-(Rupees Twenty Seven Thousand and Seventy Five Only) will meet the ends of justice.

