



In the

**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
11th floor, Central Office Building  
Shahid Bhagat Singh Road  
Mumbai - 400 001

Present

**Ajay Kumar Misra**  
**Chief General Manager**

Date: May 22, 2019  
CA No 4906 / 2019

In the matter of

**Aakarshan Real Estate Developers Private Limited**  
**H.No. E-14, Ekta Nagar**  
**Housing Board Colony, Mapusa Goa - 403507**

**(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 application dated March 16, 2019 (received in the Reserve Bank on March 22, 2019), for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The applicant has sought to be compounded for delay in filing of form FC-GPR beyond the stipulated time period, in contravention of Regulation 5(1) read with paragraph 9(1)(B) of Schedule 1 of 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, 2000 as amended from time to time (hereinafter referred to as Notification No. FEMA 20/2000-RB).

2. The relevant facts are as under: The applicant company was incorporated as Aakarshan Real Estate Developers Private Limited (CIN 45202GA2009PTC006240),



under the Companies Act, 1956, on December 15, 2009. It is engaged in the business of real estate development.

The applicant had received foreign inward remittance for issue of equity shares. However, on certain instances, there was a delay beyond the stipulated time period, in filing Form FC-GPR after the allotment of shares, resulting in a contravention of Regulation 5(1) read with paragraph 9(1)(B) of Schedule I of Notification No. FEMA 20/2000-RB. The details are as follows:

S.No.	Name of the investor	Amount (INR) for which shares allotted	Date of allotment of shares	Date of filing of Form FC-GPR (reporting to RBI)
1	Anup Shah	40,00,000	10.01.2012	02.03.2012
2	-do-	35,00,000	04.10.2012	07.11.2012
3	-do-	50,00,000	14.03.2017	21.06.2018
Total		1,25,00,000		

3. Regulation 5(1) of Notification No.FEMA.20/2000-RB provides permission for purchase of shares or convertible debentures or warrants of an Indian company under Foreign Direct Investment Scheme, subject to the terms and conditions specified in Schedule I.

Further, Para 9(1)(B) of Schedule 1 of Notification No.FEMA.20/2000-RB dated May 03, 2000 as amended from time to time states that "An Indian company issuing shares or convertible debentures in accordance with these Regulations shall submit through AD bank to the Regional Office concerned of the Reserve Bank under whose jurisdiction the Registered office of the company operates, not later than 30 days from the date of issue of shares, a report in the Form FC-GPR as specified by the Reserve Bank from time to time....".

4. The applicant was given an opportunity for personal hearing vide letter No. FE.CO.CEFA/6533/15.20.67/2018-19 dated May 06, 2019 for further submission in person and/or producing documents, if any, in support of the application. The personal hearing was held on May 21, 2019 during which Shri Tirthram Arondekar, Chief Financial Officer, and Shri Pratap Mapani, Assistant Admin Manager represented the applicant company. The representatives of the applicant submitted that the applicant



had inadvertently failed to comply with the FEMA regulations and requested that a lenient view may be taken in the matter.

It has also been declared in the compounding application dated March 16, 2019, that the particulars given by the applicant in the application are true and correct to the best of their knowledge and belief. Further, it has been stated in the declaration furnished along with the compounding application that the applicant was not under any enquiry/investigation/adjudication by any agency as on the date of the application and has, in this regard, not been informed of initiation of any such enquiry/investigation/adjudication proceedings against it thereafter. It has further been declared that the applicant has not filed any appeal under section 17 or section 19 of FEMA, 1999. Accordingly, the above contraventions which are being compounded in this Order are subject to the veracity of the above declarations made by the applicant and this Order is without prejudice to any other action which may be taken by any authority under the extant laws if the said declarations are subsequently discovered to be false and/or incorrect.

The application is, therefore, being considered on the basis of the averments made in the application, the documents produced and submissions made during the personal hearing and thereafter.

5. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. It was observed that the applicant has contravened the provisions of Regulation 5(1) read with paragraph 9(1)(B) of Schedule 1 of Notification No.FEMA.20/2000-RB. The amount of contravention is Rs. 1,25,00,000/- and period of contraventions ranges from 3 days to 1 year and 3 months approximately.

6. 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. After considering the submissions made by the applicant and the entire facts and circumstances of the case, I am persuaded to compound the contraventions, in line with the Guidance Note on Computation Matrix prescribed as part of Master Direction – Compounding of Contraventions, framed in accordance with the Foreign Exchange (Compounding Proceedings) Rules 2000. Accordingly, it stands to reason that payment of an amount of Rs. 19,542/- (Rupees nineteen thousand five hundred and forty two only) will meet the ends of justice in the circumstances of this case.



7. Accordingly, I compound, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 the admitted contravention committed by the applicant namely, Regulation 5(1) read with paragraph 9(1)(B) of Schedule 1 of Notification No.FEMA.20/2000-RB, on payment of a sum of Rs. 19,542/- (Rupees nineteen thousand five hundred and forty two only), which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 5th Floor, Amar Building, Fort, Mumbai 400001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at 'Mumbai' 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 the 22nd day of May, 2019

**Sd/-**  
**(Ajay Kumar Misra)**  
**Chief General Manager**