



In the

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

Present

R. Subramanian
Regional Director

Date: January 17, 2018
C.A. HYD 251

In the matter of

M/s. Sanvi Properties India Pvt Ltd
Plot No. 705, Sy No. 11/11 to 11/18
Sri Ayyappa Soceity, Madhapur
Hyderabad- 500081
Telangana

(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 September 27, 2017 received on October 10, 2017 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are (i) delay in reporting receipt of foreign inward remittances and (ii) delay in submission of form FC-GPR to the Reserve Bank of India after issue of shares to a person resident outside India in terms of Paragraphs 9(1)(A) and 9(1)(B) respectively of Schedule 1 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 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 is a resident company incorporated as a Private Limited Company under the Companies Act, 2013 on 13.01.2014 (CIN: U45209TG2014PTC092308). The company is engaged in the business of Construction of buildings carried out on own-account basis or on a fee or Contract basis.
- b. The applicant had received foreign inward remittances from single foreign investor towards advance for subscription to equity shares as indicated below:

S.N	Name of Remitter	Total Amount (INR)	Date of Receipt	Date of Reporting
1	Tibcorp International Pte Ltd	99,52,500	07.12.2015	13.10.2016
2	Tibcorp International Pte Ltd	1,45,95,800	14.12.2015	13.10.2016
	Total	2,45,48,300		

The applicant reported receipt of remittances towards share subscription amounting to ₹2,45,48,300/- to the Regional Office of Reserve Bank of India on dates indicated as above and the total amount was reported with a delay ranging from 8 months 30 days to 9 months 6 days approximately beyond the prescribed limit. Whereas in terms of Paragraph 9(1)(A) of Schedule 1 to Notification No. FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures in accordance with these Regulations should report to Reserve Bank of India as per the prescribed procedure not later than 30 days from the date of receipt of the amount of consideration.



c. The company allotted equity shares and filed form FC-GPR as indicated below:

Sl No	Name of investor	Date of allotment of shares	Number of shares/CCP S allotted	Amount for which shares allotted (INR)	Date of reporting
1	Tibcorp International Pte Ltd	04.02.2016	9,44,165	2,45,48,290	06.07.2017
		Total	9,44,165	2,45,48,290	

The applicant filed form FC-GPR for the allotment of shares amounting to ₹2,45,48,290/- as indicated above and reported with a delay of 1 year 4 months 2 days approximately beyond the prescribed limit. Whereas in terms of Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB, an Indian company issuing shares in accordance with these Regulations has to submit to Reserve Bank of India a report in Form FC-GPR along with documents prescribed therein within 30 days from the date of issue of shares to person resident outside India.

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/1228/14.66.003/2017-18 dated January 10, 2018 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant appeared for personal hearing on January 16, 2018 during which Shri. M.Vijayakumar, represented the applicant. The authorized representative of the applicant admitted the contraventions for which the compounding has been



sought. During the personal hearing, it was submitted that the delay was due to their administrative delays but was not wilful or with malafide intention. In view of the foregoing, the representative of 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 as 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 provisions issued in terms of:-

- (a) Paragraph 9(1)(A) of Schedule 1 to Notification No. FEMA 20/2000-RB for delay in submission of Advance Reporting Form to Reserve Bank of India after receipt of inward remittance from a person resident outside India and the contravention relates to an amount of ₹2,45,48,300/- with delays ranging from 8 months 30 days to 9 months 6 days approximately.
- (b) Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB for delay in submission of Form FC-GPR to Reserve Bank of India after issue of equity shares to persons resident outside India and the contravention relates to an amount of ₹2,45,48,290/- with a delay of 1 year 4 months 2 days approximately.

5. It has been declared in the compounding application dated 27.09.2017 that the particulars given by the applicant in the application are true and correct to the best of their knowledge and belief. It has been declared in the declaration dated 27.09.2017 furnished with the compounding application that the applicant was not under any investigation by any agency as on the date of the application and has, in this regard, not informed of initiation of any such enquiry/investigation/adjudication proceedings against it thereafter. 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 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.

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. 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 **₹1,34,310/- (Rupees One Lakh Thirty Four Thousand Three Hundred Ten Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9(1)(A) and Paragraph 9(1)(B) 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 **₹1,34,310/- (Rupees One Lakh Thirty Four Thousand Three 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 17th day of January 2018

Sd/-

(R. Subramanian)
Regional Director