



In the

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

Present

R Subramanian
Regional Director

Date: August 02, 2018
C.A. HYD 316

In the matter of

M/s. Hyderabad Skyscrapers Private Limited
G4 & GB, Plot No. 4, Ground Floor, Srinidhi Apartment
Parkview Colony, Manovikash Nagar, Hasmatpet
Secunderabad, Telangana – 500 009

(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 submitted the compounding application dated May 29, 2018 received on June 07, 2018 for compounding of contraventions of the provision of the Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued there under. The contraventions sought to be compounded are (i) delay in submission of Form FCGPR to the Reserve Bank after issue of shares to a person resident outside India and (ii) delay in allotment of shares to a person resident outside India, in terms of Paragraph 9(1)(B) and Paragraph 8 of Schedule 1 to Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India)



Compounding of contraventions under FEMA 1999
M/s Hyderabad Skyscrapers Private Limited
CA No. HYD 316

Regulations, 2000 notified vide Notification no. FEMA. 20/2000-RB dated 3rd May 2000 as then applicable (herein after 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 Private Limited Company under the Companies Act, 1956 on January 09, 2006 (CIN: U45200TG2006PTC048722). The company is engaged in building of complete constructions or parts thereof.
- b) The applicant had received foreign inward remittances from single investor as indicated below:

SI No	Name of Remitter	Amount (INR)	Date of Receipt	Date of Reporting
1	Lauderco Investments Ltd	282205537.50	15.01.2008	12.02.2008
2	Lauderco Investments Ltd	4934248.75	19.02.2008	17.03.2008
3	Lauderco Investments Ltd	5891986.21	17.04.2008	15.05.2008
4	Lauderco Investments Ltd	9471660.40	27.05.2008	26.06.2008
Total		30,25,03,432.86		

The applicant reported receipt of remittances towards share subscription amounting to ₹ 30,25,03,432.86 to the Regional Office of Reserve Bank of India within the prescribed time limit of 30 days. 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 the Reserve Bank of India as per the prescribed procedure not later than 30 days from the date of receipt of the amount of consideration.



Compounding of contraventions under FEMA 1999
M/s Hyderabad Skyscrapers Private Limited
CA No. HYD 316

c) The company allotted equity shares and filed form FC-GPRs as indicated below:

SI No	Name of investor	Date of allotment of shares	Number of shares allotted	Amount for which shares allotted (INR)	Date of reporting
1	Lauderco Investments Ltd	21.01.2008	569230	281768850	20.02.2008
2	Lauderco Investments Ltd	27.06.2008	10850	5370750	29.07.2008
3	Lauderco Investments Ltd	06.04.2010	153636 (CCDs)	15363600	01.09.2014
Total				30,25,03,200	

The applicant filed form FCGPRs for the allotment of shares amounting to **₹.30,25,03,200/-** to the Regional Office of Reserve Bank of India, out of which remittance amounting to **₹ 2,07,34,350/-** were reported with a delay ranging from 2 days to 4 years 3 months 26 days approximately as indicated above. 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 a report in form FCGPR along with documents prescribed therein within 30 days from the date of issue of shares to person resident outside India.

d) The company allotted shares to the non-resident investor beyond the stipulated period of 180 days as indicated below:



Compounding of contraventions under FEMA 1999
M/s Hyderabad Skyscrapers Private Limited
CA No. HYD 316

SI No	Name of Remitter	Amount (INR)	Date of Receipt	Date of allotment of shares
1	Lauderco Investments Ltd	5891986.21	17.04.2008	06.04.2010
2	Lauderco Investments Ltd	9471660.40	27.05.2008	06.04.2010
Total		1,53,63,646.61		

Whereas in terms of Paragraph 8 of Schedule 1 to Notification No.FEMA 20/2000-RB, if the shares are not issued within 180 days from the date of receipt of the inward remittance, the amount of consideration so received shall be refunded to the person concerned, provided the Reserve Bank may on an application made to it and for sufficient reasons permit to refund the amount of consideration received towards issue of security, if such amount is outstanding beyond a period of 180 days from the date of receipt. Here the amount of contravention is ₹ **1,53,63,646.61** and the delay is ranging from 1 year 4 months 14 days to 1 year 5 months 23 days approximately as tabulated above.

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/170/14.66.003/2018-19 dated July 31, 2018 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant vide letter dated July 31, 2018 stated that they are foregoing appearing for the personal hearing and requested that the compounding application may be disposed off on the basis of merits in terms of the facts/submission made therein along with the compounding 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



Compounding of contraventions under FEMA 1999
M/s Hyderabad Skyscrapers Private Limited
CA No. HYD 316

hold that the applicant has contravened the following FEMA provisions issued in terms of:-

(a) Paragraph 9(1)(B) of Schedule 1 to Notification No. 20/2000-RB for delay in submission of Form FC-GPR to Reserve Bank of India after issue of shares to persons resident outside India and the contravention relates to an amount of **₹ 2,07,34,350/-** and the delay ranges from delay ranging from 2 days to 4 years 3 months 26 days approximately.

(b) Paragraph 8 of Schedule 1 to Notification No. FEMA 20/2000-RB for delay in the allotment of shares to the foreign investor and the contravention relates to an amount of **₹ 1,53,63,646.61** and the delay ranges from 1 year 4 months 14 days to 1 year 5 months 23 days approximately.

5. It has been declared in the compounding application dated May 29, 2018 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 May 29, 2018 furnished 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 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 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.

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



Compounding of contraventions under FEMA 1999
M/s Hyderabad Skyscrapers Private Limited
CA No. HYD 316

and I consider that an amount of ₹ 3,31,776/- (**Rupees Three Lakh Thirty One Thousand Seven Hundred Seventy Six Only**) will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9(1)(B) and Paragraph 8 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 ₹ 3,31,776/- (**Rupees Three Lakh Thirty One Thousand Seven Hundred Seventy Six 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 02nd day of August 2018

Sd/-

(R Subramanian)
Regional Director