



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
6, Sansad Marg
New Delhi-110001

Present

Sh.T.K.Singh
General Manager

Date: October 9, 2017
C.A.NDL 253/2017

In the matter of

Nine United Properties Private Limited
(formerly Best Seller Properties & Hospitality India Private Limited)
E- 20, 1st & 2nd Floor, Hauz Khas, New Delhi 110016

(Applicant)

In exercise of the powers under Section 15 (1) of Foreign Exchange Management Act, 1999 and the Regulations / Rules / Notifications / Orders made thereunder, I pass the following order.

Order

The applicant has filed a compounding application dated July 14, 2017 (received in Reserve Bank of India on July 27, 2017) for compounding of contravention of the provisions of the Foreign Exchange Management Act, 1999 (hereinafter referred to as FEMA) and the regulations issued thereunder. The contravention sought to be compounded is that of delay in submission of form FC-GPR after allotment of shares in terms of Paragraph 9(1)(B) 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, as amended from time to time (hereinafter referred to as FEMA 20/2000- RB).

2. The relevant facts of the case are as follows:

- a) The applicant company was incorporated under the Companies Act, 1956 on July 28, 2008 and allotted registration No.U45400DL2008PTC173219 which was later changed to U55101DL2008PTC173219 by Registrar of Companies vide orders



dated February 24, 2015 on account of name change of the company with change in business objects. The company is engaged in hospitality services.

- b) The applicant company had allotted equity shares on 7 occasions from February 2, 2009 to November 19, 2013. Out of which, on one occasion company had reported equity shares amounting to Rs. 70,00,000.00 in form FC-GPR on 12.08.2015 with a delay of 1 year 7 months and 24 days, beyond the prescribed period in contravention of Paragraph 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000. Whereas, in terms of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, an Indian company issuing shares in accordance with these Regulations has to submit to Reserve Bank a report in Form FC-GPR along with documents prescribed therein, within 30 days from the date of issue of shares to a person resident outside India. Thus, there is a contravention of Paragraph 9(1) (B) of Schedule 1 to FEMA Notification No 20 /2000-RB dated May 3, 2000.

3. The applicant company was given an opportunity for personal hearing for further submission in person and/or by producing documents, if any, in support of the application. Sh. Rohit Katyal and Ms. Manisha Narang, authorised representatives of the applicant company appeared for the personal hearing on October 5, 2017 on behalf of the applicant company. The representatives of the applicant company admitted the contraventions committed by them for which the company has sought compounding. They stated that due to absence of professional advice on FEMA regulations at the time of allotment, they inadvertently skipped filing the FC-GPR form within the prescribed time limit which led to these contraventions. Further they have requested for a lenient view in the matter. The application for compounding is, therefore, being considered on the basis of the averments made in the application as well as submissions made in this context by the applicant company during the personal hearing.

4. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened Paragraph 9 (1) (B) of Schedule 1 to FEMA 20/2000-RB due to delay in filing of form FC-GPR with RBI. The contravention



relates to an amount of Rs.70,00,000.00 and duration of contravention is 1 year 7 months and 24 days.

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 contraventions are to be compounded and I consider that an amount of **Rs. 21,690/-(Rupees Twenty one thousand six hundred ninety only)** will meet the ends of justice.

6. Accordingly, I compound the admitted the contravention of Paragraph 9 (1)(B) of Schedule 1 to FEMA 20/2000- RB by the applicant on the facts detailed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of Rs 21,690/- (Rupees Twenty one thousand six hundred ninety only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 6, Sansad Marg, New Delhi-100001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at New Delhi 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 of accordingly.

Dated this the 9th day of October, 2017.

Sd/-

(T.K.Singh)
General Manager

