

MOCK TEST PAPER
FINAL (NEW) COURSE: GROUP – II
PAPER-6D: ECONOMIC LAWS
SUGGESTED ANSWERS/HINTS

Case Study -1

- 1.1 (c)
1.2 (d)
1.3 (c)
1.4 (c)
1.5 (a)
1.6 The purpose behind the enactment of the Competition Act, 2002 was to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India.

Healthy competition brings many good things. It curtails the monopoly, improving the quality of the goods and services, competitive prices and continuous innovations to improve the quality.

Anti-competitive agreement

Section 3(1) provides that no enterprise or association of enterprises or person or association of persons shall enter into any agreement in respect of production, supply, distribution, storage, acquisition or control of goods or provision of services, **which causes or is likely to cause an appreciable adverse effect on competition within India.**

As per Sub-section (2), any agreement entered into in contravention of the provisions contained in sub-section (1) shall be void.

In the given case, the JBL is almost enjoying the monopolistic conditions. Besides the selling of the bike, it has put several conditions on the persons who are having its dealership. These conditions are not reasonable conditions. It prevents the entry of other insurance companies to provide the insurance coverage on the bikes, by simply putting a condition on the buyers of bike to buy insurance policy only from its Group Insurance company.

Further the JBL has also prevented the entry of other finance companies / NBFCs/ Banks who can provide the loan facility to the buyers of the bike. JBL have put conditions that no cash sale of the bike will be allowed and the buyer have been forced to avail loan from its Group NBFC company.

Section 3(4) provides that any agreement amongst enterprises or persons at different stages or levels of the production chain in different markets, in respect of production, supply, **distribution**, storage, sale or price of, or trade in goods or provision of services, **including—**

- (a) tie-in arrangement;
- (b) exclusive supply agreement;
- (c) exclusive distribution agreement;

- (d) refusal to deal;
- (e) resale price maintenance,

shall be an agreement in contravention of sub-section (1) if such agreement causes or is likely to cause an appreciable adverse effect on competition in India.

Meaning of Tie-in arrangement:

The explanation (a) to this sub-section defines the meaning of tie-in arrangements. It provides an inclusive definition (not exclusive). "Tie-in arrangement" includes any agreement requiring a purchaser of goods, as a condition of such purchase, to purchase some other goods. Such type of conditions which are not reasonable, can be put in the category of tie-in arrangement.

What conditions are reasonable

The conditions which may be put under the banner of reasonable conditions have been described under section 3(5) of the Act. It provides that nothing contained in this section shall restrict—

- (i) the right of any person to restrain any infringement of, or to impose reasonable conditions, as may be necessary for protecting any of his rights which have been or may be conferred upon him under—
 - (a) the Copyright Act, 1957 (14 of 1957);
 - (b) the Patents Act, 1970 (39 of 1970);
 - (c) the Trade and Merchandise Marks Act, 1958 (43 of 1958) or the Trade Marks Act, 1999 (47 of 1999);
 - (d) the Geographical Indications of Goods (Registration and Protection) Act, 1999 (48 of 1999);
 - (e) the Designs Act, 2000 (16 of 2000);
 - (f) the Semi-conductor Integrated Circuits Layout-Design Act, 2000 (37 of 2000).

In the given case, since the JBL has put very unreasonable condition on the distributor, so it is treated **as tie-in arrangements**.

1.7 Section 3(3) of the Competition Act, 2002 (the Act) lists out some of the agreements which are presumed to have an appreciable adverse effect on competition. This section provides that-

Any agreement entered into between enterprises or associations of enterprises or persons or associations of persons or between any person and enterprise or practice carried on, or decision taken by, any association of enterprises or association of persons, including cartels, engaged in identical or similar trade of goods or provision of services, which—

- (a) directly or indirectly determines purchase or sale prices;
- (b) limits or controls production, supply, markets, technical development, investment or provision of services;
- (c) shares the market or source of production or provision of services by way of allocation of geographical area of market, or type of goods or services, or number of customers in the market or any other similar way;
- (d) directly or indirectly results in bid rigging or collusive bidding,

shall be presumed to have an appreciable adverse effect on competition.

It is to be mentioned here the above instances mentioned in the Act have been presumed to have an appreciable adverse effect on competition and there is no need to prove it.

However, the agreements which have been entered into by way of joint ventures shall not be presumed to have an appreciable adverse effect on competition, if such agreement increases efficiency in production, supply, distribution, storage, acquisition or control of goods or provision of services.

Determination of Appreciable Adverse Effect on Competition

Section 19(3) of the Act provides that the Commission shall, while determining whether an agreement has an appreciable adverse effect on competition under section 3, have due regard to all or any of the following factors, namely:—

- (a) creation of barriers to new entrants in the market;
- (b) driving existing competitors out of the market;
- (c) foreclosure of competition by hindering entry into the market;
- (d) accrual of benefits to consumers;
- (e) improvements in production or distribution of goods or provision of services;
- (f) promotion of technical, scientific and economic development by means of production or
- (g) distribution of goods or provision of services.

In the given case, the JBL have entered into the agreement with dealers/ distributors that no bike shall be sold in cash. The Bikes shall be sold only if the customer avails loan from its Group Finance Company and shall have to buy insurance cover on the bike only from the Group Insurance Company. These two major conditions restrict the entry of other insurance companies and finance companies to sale insurance /distribute loan facility particularly to the bike segment manufactured by the JBL.

Case Study 2

2.1 (d)

2.2 (c)

2.3 (d)

2.4 (b)

2.5 (d)

2.6 Facts in the given case are more or less similar to the case (No. 39 of 2018, Competition Commission of India dated 16.04.2019) of **Umar Javeed and Google LLC**, wherein legal issue also about dominance and its abuse and act of Google found in violation of Section 4(2) of the Competition Act, 2002.

In the said case, CCI observed to form a prima facie view about the alleged abusive conduct, it would be first appropriate to define the relevant market and to determine the dominance of accused enterprise therein if any. In the present case, it is clearly mentioned that mobile OS due to additional handheld use features are different from OS designed for desktop hence all OS for other devices such as desktop or laptop shall be excluded from the relevant market. **Blip appears to be dominant in the relevant market** as 80% of mobile phones, which are in use have Diordna as the operating

system.

The **signing** of the Mobile Application Distribution Agreement and Anti Fragmentation Agreement is a **pre-condition** for mobile manufacturers to pre-install BMS (while using Diordna as OS. Further, BMS is also a **bundled suite** of Blips' applications and services. In this manner Blip reduced the ability of device manufacturers to develop viable alternatives with selected applications and services out of the BMS suite, hence dis-incentivize them. Thereby **restricting technical development** to the prejudice of consumers in violation of Section 4 of the Competition Act, 2002.

While reading Section 4 with Section 32 of the Act, it is important to note that the conduct of Blip to tie or bundle applications and services is an attempt to eliminate effective competition from the market. There exists an element of coercion as the mobile manufacturers are coerced to purchase the BMS suite altogether which results in consumer harm through a reduction in choice of products.

2.7 As per regulation 6 of Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations, 2018, **a person resident outside India, not being a Non-Resident Indian or an Overseas Citizen of India, who is a spouse of a Non-Resident Indian or an Overseas Citizen of India may acquire one immovable property (other than agricultural land/ farmhouse/ plantation property), jointly with his/ her NRI/ OCI spouse, subject to following conditions**

- (i) The consideration for the transfer, shall be made out of funds received in India through banking channels by way of inward remittance from any place outside India **or** funds held in any non-resident account maintained in accordance with the provisions of the Act and the regulations made by the Reserve Bank;
- (ii) No payment for any transfer of immovable property shall be made either by travellers' cheque or by foreign currency notes or by any other mode other than those specifically permitted under this clause;
- (iii) **The marriage has been registered and subsisted for a continuous period of not less than two years immediately preceding the acquisition of such property;**
- (iv) The non-resident spouse is not otherwise prohibited from such acquisition.

No, Mr. Joe (a person resident outside India, not being a Non-Resident Indian or an Overseas Citizen of India) can't acquire immovable property in India, independently

No, the acquisition of a flat by Drishel and Joe, jointly is not aligned (hence legally invalid, and amount to violation) to the provisions of FEMA and relevant regulations made thereunder, because **marriage** has been **registered and subsisted for a continuous period of fewer than two years** immediately preceding the acquisition of such property.

No, Joe can't acquire another property being agricultural land in joint ownership with Drishel for investment purposes because;

- i. The acquisition of agricultural land, farmhouse, and plantation property is specifically prohibited; and
- ii. The time since the marriage took place and subsisted is less than two years; and
- iii. There is a maximum ceiling limit of owning one property

Case Study -3

3.1 (d)

3.2 (c)

3.3 (a)

3.4 (c)

3.5 (b)

3.6 The real estate business before the enactment of the RERA was highly unregulated. The builders were dictating their own terms and conditions and the home buyers were helpless, since taking legal recourse takes much more time. The common person was not able to understand the real estate business juggling like common area, floor area, wall area, carpet area, parking- covered parking- open parking etc.

The home buyers were also not provided with the copies of the sanctioned plan, lay out of the flats, the quality of the materials to be used and most important the date of possession, which was the practice on the part of the builders to linger on and sometimes, it passes through 5, 7 or even 10 years from the promised date of possession.

However, after the enactment of the RERA the promoter is duty bound to first get the project registered with RERA. The promoter has to make disclosures of all the relevant information as per the Act. Some of the provisions of the Act, are mentioned here below, which advocates in favour of the statement that the RERA has regularised the un-regulated real estate business.

Act deals with the matter relating to the registration of real estate project and registration of real estate agents. It consists of section 3 to 10, which discusses over the following issues:

- Section 3. Prior registration of real estate project with Real Estate Regulatory Authority.
- Section 4. Application for registration of real estate projects.
- Section 5. Grant of registration.
- Section 6. Extension of registration.
- Section 7. Revocation of registration.
- Section 8. Obligation of Authority consequent upon lapse of or on revocation of registration.
- Section 9. Registration of real estate agents.
- Section 10. Functions of real estate agents

Act also defines the matter relating to the functions and duties of promoter being covered under section 11 to 18, which elaborate on the following points:

- Section 11. Functions and duties of promoter.
- Section 12. Obligations of promoter regarding veracity of the advertisement or prospectus.
- Section 13. No deposit or advance to be taken by promoter without first entering into agreement for sale.
- Section 14. Adherence to sanctioned plans and project specifications by the promoter.
- Section 15. Obligations of promoter in case of transfer of a real estate project to a third party.

- Section 16. Obligations of promoter regarding insurance of real estate project.
- Section 17. Transfer of title.
- Section 18. Return of amount and compensation.

Some of the benefits that the allottees will have due to Insolvency and Bankruptcy Code are:

1. In the given case, RBL has taken the booking amount more than that prescribed under the Act. The Act provides that booking amount shall not be more than 10% of the cost of the flat.
2. Further RBL has delayed in handing over the possession of flats. Some of the allottees have demanded the refund of the amount along with interest and compensation, which RBL had to pass on to them.
3. Further the remaining allottees intended to stay till the possession of the flats, but in this case also RBL has to pay the monthly interest for every month of delay, till the handing over of the possession.
4. Rights of the allottees

The rights given to the allottees have been described under Chapter IV of the RERA. Sub-section (1) to (5) of section 19 provides the rights attached to the allottees, which are as under:

- (1) The allottee shall be **entitled to obtain the information relating to sanctioned plans, layout plans** along with the specifications, approved by the competent authority and such other information as provided in this Act or the rules and regulations made thereunder or the agreement for sale signed with the promoter.
- (2) The allottee shall be **entitled to know stage-wise time schedule of completion** of the project, including the provisions for water, sanitation, electricity and other amenities and services as agreed to between the promoter and the allottee in accordance with the terms and conditions of the agreement for sale.
- (3) The allottee shall be **entitled to claim the possession** of apartment, plot or building, as the case may be, and the association of allottees shall be entitled to claim the possession of the common areas, as per the declaration given by the promoter under sub-clause (C) of clause (I) of sub-section (2) of section 4.
- (4) The allottee shall be **entitled to claim the refund of amount paid along with interest** at such rate as may be prescribed and compensation in the manner as provided under this Act, from the promoter, if the promoter fails to comply or is unable to give possession of the apartment, plot or building, as the case may be, in accordance with the terms of agreement for sale or due to discontinuance of his business as a developer on account of suspension or revocation of his registration under the provisions of this Act or the rules or regulations made thereunder.
- (5) The allottee shall be **entitled to have the necessary documents and plans**, including that of common areas, after handing over the physical possession of the apartment or plot or building as the case may be, by the promoter.

This all happened only due to the enactment of the Act. Prior to the enactment the home allottees were not entitled to get any amount from the builder nor any interest and compensation.

Thus, it is right to say that the enactment of this Act has regularised the un-regulated real estate business.

3.7 Under the provisions of IBC

Explanation (i) to Section 5(8)(f) of the Insolvency and Bankruptcy Code, 2016 provides that any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing.

Thus, the allottees are treated as financial creditors. Further the second proviso to section 7(1) provides that the financial creditors who are allottees under a real estate project, an application for initiating CIRP against the corporate debtor shall be filed-

- jointly by not less than 100 of such allottees under the same real estate project; or
- not less than 10% of the total number of such allottees under the same real estate project, whichever is less.

In the given case the total number of allottees are 315. Thus, not less than 100 number of allottees or 10% of 315 (say 32 after rounding off), whichever is less, means at least 32 allottees together can initiate CIRP against RBL.

Under the provisions of RERD

Section 18 of the RERD deals with the return of amount and compensation. It provides that-

If the promoter fails to complete or is unable to give possession of an apartment, plot or building,—

- (a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or
- (b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason,

he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act.

The language of the above section bears the sentence “without prejudice to any other remedy available”, it means that if any other action/ remedy is available in other Act, will not affect the remedy provided to the allottees under the Insolvency and Bankruptcy Code, 2016. Thus, it is very much clear the allottees can take the advantages of RERD as well as of the IBC.

Where the allottee does not intend to withdraw

The proviso to section 18 of the Insolvency and Bankruptcy Code, 2016, provides that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed.

Case Study 4

4.1 (b)

4.2 (c)

4.3 (c)

4.4 (b)

4.5 (c)

4.6 The statement mentioned in the question is not correct. In fact, apart from the promoter, the real estate agent have also been put under the RERD to obtain prior registration and have cast certain duty of him.

Section 9 of the Act deals with the registration of real estate agents. Its sub-section (1) provides that no real estate agent shall facilitate the sale or purchase of or act on behalf of any person to facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, being the part of the real estate project registered under section 3, being sold by the promoter in any planning area, without obtaining registration under this section.

Further, sub-section (7) provides that where any real estate agent who has been granted registration under this Act commits breach of any of the conditions thereof or any other terms and conditions specified under this Act or any rules or regulations made thereunder, or where the Authority is satisfied that such registration has been secured by the real estate agent through misrepresentation or fraud, the Authority may, without prejudice to any other provisions under this Act, revoke the registration or suspend the same for such period as it thinks fit.

Further section 10 of the Act deals with the functions of the real estate agents and provides that –

Every real estate agent registered under section 9 shall—

- (a) not facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, being sold by the promoter in any planning area, which is not registered with the Authority;
- (b) maintain and preserve such books of account, records and documents as may be prescribed;
- (c) not involve himself in any unfair trade practices, namely:—
 - (i) the practice of making any statement, whether orally or in writing or by visible representation which—
 - (A) falsely represents that the services are of a particular standard or grade;
 - (B) represents that the promoter or himself has approval or affiliation which such promoter or himself does not have;
 - (C) makes a false or misleading representation concerning the services;
 - (ii) permitting the publication of any advertisement whether in any newspaper or otherwise of services that are not intended to be offered.
- (d) facilitate the possession of all the information and documents, as the allottee, is entitled to, at the time of booking of any plot, apartment or building, as the case may be;
- (e) discharge such other functions as may be prescribed.

Thus, from reading of section 9 and 10, it is clear that the real estate agent is required to get the registration with RERA and cast duty on such agent to adhere the provisions of RERD failing which penal provisions are attracted as specified in section 62. This section deals with the penalty for non-registration and contravention under section 9 and 10 and provides that if any real estate agent fails to comply with or contravenes the provisions of section 9 or section 10, he shall be liable to a penalty

of ten thousand rupees for every day during which such default continues, which may cumulatively extend up to five per cent. of the cost of plot, apartment or building, as the case may be, of the real estate project, for which the sale or purchase has been facilitated as determined by the Authority.

- 4.7** Yes, it is true to say that post era of RERD have tighten the promoters. Earlier, the promoters were not having the transparency in dealing with the home buyers and often the possession of flats were delayed.

The functions and duties of the promoter have been mentioned in Chapter III of the RERD consisting of section 11 to 18. A brief overview of the aforesaid sections are as under:

Section 11: Functions and duties of promoter

- (1) The promoter after getting the login id and password has to create his web page on the website of the RERA and enter all details of the proposed project in all the fields as provided, for public viewing, including:
 - (a) details of the registration granted by the Authority;
 - (b) quarterly up-to-date the list of number and types of apartments or plots, as the case may be, booked;
 - (c) quarterly up-to-date the list of number of garages booked;
 - (d) quarterly up-to-date the list of approvals taken and the approvals which are pending subsequent to commencement certificate;
 - (e) quarterly up-to-date status of the project; and
 - (f) such other information and documents as may be specified by the regulations made by the Authority.
- (2) The advertisement or prospectus issued or published by the promoter shall mention prominently the website address of the Authority, wherein all details of the registered project have been entered and include the registration number obtained from the Authority and such other matters incidental thereto.
- (3) The promoter, at the time of the booking and issue of allotment letter shall be responsible to make available to the allottee, the following information, namely:—
 - (a) sanctioned plans, layout plans, along with specifications, approved by the competent authority, by display at the site or such other place as may be specified by the regulations made by the Authority;
 - (b) the stage wise time schedule of completion of the project, including the provisions for civic infrastructure like water, sanitation and electricity.
- (4) The promoter shall—
 - (a) be responsible for all obligations, responsibilities and functions under the provisions of this Act or the rules and regulations made thereunder or to the allottees as per the agreement for sale, or to the association of allottees, as the case may be, till the conveyance of all the apartments, plots or buildings, as the case may be, to the allottees, or the common areas to the association of allottees or the competent authority, as the case may be: Provided that the responsibility of the promoter, with respect to the structural defect or any other defect for such period as is referred to in sub-section (3) of section 14, shall continue even

after the conveyance deed of all the apartments, plots or buildings, as the case may be, to the allottees are executed.

- (b) be responsible to **obtain the completion certificate or the occupancy certificate**, or both, as applicable, from the relevant competent authority as per local laws or other laws for the time being in force and to make it available to the allottees individually or to the association of allottees, as the case may be;
- (c) be responsible to **obtain the lease certificate**, where the real estate project is developed on a leasehold land, specifying the period of lease, and certifying that all dues and charges in regard to the leasehold land has been paid, and to make the lease certificate available to the association of allottees;
- (d) be **responsible for providing and maintaining the essential services**, on reasonable charges, till the taking over of the maintenance of the project by the association of the allottees;
- (e) **enable the formation of an association or society** or co-operative society, as the case may be, of the allottees, or a federation of the same, under the laws applicable:

Provided that in the absence of local laws, the association of allottees, by whatever name called, shall be formed within a period of three months of the majority of allottees having booked their plot or apartment or building, as the case may be, in the project;

- (f) **execute a registered conveyance deed** of the apartment, plot or building, as the case may be, in favour of the allottee along with the undivided proportionate title in the common areas to the association of allottees or competent authority, as the case may be, as provided under section 17 of this Act;
- (g) **pay all outgoings until he transfers the physical possession** of the real estate project to the allottee or the associations of allottees, as the case may be, which he has collected from the allottees, for the payment of outgoings (including land cost, ground rent, municipal or other local taxes, charges for water or electricity, maintenance charges, including mortgage loan and interest on mortgages or other encumbrances and such other liabilities payable to competent authorities, banks and financial institutions, which are related to the project):

Provided that where any promoter fails to pay all or any of the outgoings collected by him from the allottees or any liability, mortgage loan and interest thereon before transferring the real estate project to such allottees, or the association of the allottees, as the case may be, the promoter shall continue to be liable, even after the transfer of the property, to pay such outgoings and penal charges, if any, to the authority or person to whom they are payable and be liable for the cost of any legal proceedings which may be taken therefor by such authority or person;

- (h) after he executes an agreement for sale for any apartment, plot or building, as the case may be, not mortgage or create a charge on such apartment, plot or building, as the case may be, and if any such mortgage or charge is made or created then notwithstanding anything contained in any other law for the time being in force, it shall not affect the right and interest of the allottee who has taken or agreed to take such apartment, plot or building, as the case may be;

- (5) The promoter may cancel the allotment only in terms of the agreement for sale:

Provided that the allottee may approach the Authority for relief, if he is aggrieved by such

cancellation and such cancellation is not in accordance with the terms of the agreement for sale, unilateral and without any sufficient cause.

- (6) The promoter shall prepare and maintain all such other details as may be specified, from time to time, by regulations made by the Authority.

In addition to the functions and duties mentioned in section 11, few more sections of Chapter II highlight the compliance to be adhered by the promoter. These are:

- **Section 12.** Obligations of promoter regarding veracity of the advertisement or prospectus.
- **Section 13.** No deposit or advance to be taken by promoter without first entering into agreement for sale
- **Section 14.** Adherence to sanctioned plans and project specifications by the promoter
- **Section 15.** Obligations of promoter in case of transfer of a real estate project to a third party
- **Section 16.** Obligations of promoter regarding insurance of real estate project
- **Section 17.** Transfer of title
- **Section 18.** Return of amount and compensation

In the given, the promoter has not complied with the provisions of RERD and was therefore penalised.

Case Study 5

5.1 (b)

5.2 (c)

5.3 (b)

5.4 (c)

5.5 (a)

5.6 (A) Regulation 9 of the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 deals with the period within which the export value of goods is to be realized. It is provided in Sub Regulation 9 (1) (a) that where the goods are exported to a warehouse established outside India with the permission of the Reserve Bank, the amount representing the full export value of goods exported shall be paid to the authorized dealer as soon as it is realized and in any case within fifteen months or within such period as may be specified by the Reserve Bank, in consultation with the Government, from time to time from the date of shipment of goods.

It is further provided that RBI, or subject to the directions issued by that bank on this behalf, the authorised dealer may, for a sufficient and reasonable cause shown, extend the said period.

Since in the given case, STS is a warehouse facility of SPL established with the permission of RBI in Poland and the goods were shipped and/or exported on 1st January 2020, EUR 265,000 is expected to be realized within the next 15 months i.e. by March 31st, 2021, unless the period is further extended as above. It is the full value of export i.e. CIF value (EUR 265,000) is to be realized within the period stipulated in Regulation 9.

- (B) Regulation 9 of the Foreign Management (Export of Goods & Services) Regulations, 2015 deals with the period within which export value of goods to be realized. As per sub-regulation 9 (1), the amount representing the full export value of goods / software/ services exported shall be realized and repatriated to India within nine months or within such period as may be specified by the Reserve Bank, in consultation with the Government, from time to time from the date of export,

It is further provided that the Reserve Bank, or subject to the directions issued by that Bank on this behalf, the authorized dealer may, for a sufficient and reasonable cause shown, extend the said period.

Since in the given case, the goods were shipped and/or exported on 1st January 2020, GBP 126,000 is expected to be realized within the next 9 months i.e. by September 30th, 2020, unless the period is further extended as above. It is the full value of export i.e. GBP 126,000 is to be realized within the period stipulated.

- (C) Regulation 9 of the Foreign Management (Export of Goods & Services) Regulations, 2015 deals with the period within which export value of goods to be realized. As per Regulation 9 (2) (a) Where the export of goods / software / services has been made by Units in Special Economic Zones (SEZ) / Status Holder exporter / Export Oriented Units (EOUs) and units in Electronics Hardware Technology Parks (EHTPs), Software Technology Parks (STPs) and Bio-Technology Parks (BTPs) as defined in the Foreign Trade Policy in force, then notwithstanding anything contained in sub-regulation (1), the amount representing the full export value of goods or software shall be realized and repatriated to India within nine months or within such period as may be specified by the Reserve Bank, in consultation with the Government, from time to time from the date of export.

It is further provided that the Reserve Bank, or subject to the directions issued by that Bank in this behalf, the authorized dealer may, for a sufficient and reasonable cause shown, extend the said period.

Since in the given case, the goods were shipped and/or exported on 1st January 2020, EUR 265,000 is expected to be realized within the next 9 months i.e. by September 30th, 2020, unless the period is further extended as above. It is the full value of export i.e. CIF value (EUR 265,000 is to be realized within the period stipulated.

5.7 According to section 6 (4) of the Foreign Exchange Management Act, 1999 (here-in-after referred to as the Act) read with regulation 5 of Foreign Exchange Management (Acquisition and transfer of immovable property outside India) Regulations, 2015,

- (1) A person resident in India may acquire immovable property outside India;
 - (a) By way of gift or inheritance from a person referred to in sub-section (4) of Section 6 of the Act, or referred to in clause (b) of regulation 4;
 - (b) By way of purchase out of foreign exchange held in Resident Foreign Currency (RFC) account maintained in accordance with the Foreign Exchange Management (foreign currency accounts by a person resident in India) Regulations, 2015;
 - (c) Jointly with a relative who is a person resident outside India, provided there is no outflow of funds from India;
- (2) A person resident in India may acquire immovable property outside India, by way of

inheritance or gift from a person resident in India who has acquired such property in accordance with the foreign exchange provisions in force at the time of such acquisition.

- (3) A company incorporated in India having overseas offices, may acquire immovable property outside India for its business and for residential purposes of its staff, in accordance with the direction issued by the Reserve Bank of India from time to time.

These are the possible ways by which these properties might have been legally acquired by SPL in UAE.