



In the

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

Present

Shri. Subrata Das
Regional Director (Andhra Pradesh and Telangana) and
Chief General Manager (Hyderabad)

Date: August 21, 2019
C.A. HYD 443

In the matter of

M/s. Poly Solar Parks Pvt. Ltd.
Sreya Towers, Plot No. 1130, Road No.36,
Jubilee hills, Hyderabad-500 033

(Applicant)

In exercise of the powers conferred under Sub-Section (1) of Section 15 of Foreign Exchange Management Act, 1999 and the Regulations/ Rules/ Notifications/ Orders made there under, I pass the following

Order

The applicant has filed compounding application dated July 11, 2019 received on July 16, 2019 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued there under. The contraventions sought to be compounded are (i) delay in reporting receipt of foreign inward remittances; (ii) delay in submission of Form FCGPR to the Regional Office of the Reserve Bank after issue of shares to a person resident outside India, in terms of Paragraph 9(1)(A) and Paragraph 9(1)(B) of Schedule 1 to Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India)



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Regulations, 2000 notified vide Notification No. FEMA. 20/2000-RB dated 3rd May 2000 as then applicable (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 Private Limited Company under the Companies Act, 1956 on October 14, 2013 (CIN: U40105TG2013PTC090536). The company is engaged in electric power generation using solar energy.
- b) The applicant had received foreign inward remittances from the investors as indicated below.

S.No	Name of the remitter	Amount(INR)	Date of receipt	Date of reporting
1.	Ecoren Energy Pvt. Ltd.	100000	13.11.2013	02.12.2013
2.		500000	15.12.2014	31.12.2014
3.		100000	19.12.2014	31.12.2014
4.	Sun Solar BV	297810000	04.09.2015	08.12.2015
5.		47190642.38	09.09.2015	08.12.2015
6.		36571941	07.12.2015	11.12.2015
7.		114610898.68	19.01.2016	21.01.2016
8.		418000898.68		
	Total	914884380.74		

The applicant reported receipt of remittances towards share subscription amounting to ₹ **914,884,380.74** to the Regional Office of Reserve Bank of India out of which remittances amounting to ₹ **345,000,642.38** were reported with delays ranging from 1 month 29 days to 2 months 4 days approximately as indicated above. 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 the Reserve Bank of India as per the prescribed



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procedure not later than 30 days from the date of receipt of the amount of consideration.

c) The applicant allotted equity shares and filed form FC-GPRs as indicated below.

S.No	Name of investor	Date of allotment of shares	No. of Shares/CCDs allotted	Amount for which shares allotted (INR)	Date of reporting to RBI
1.	Ecoren Energy Pvt. Ltd.	23.11.2013	9999	99990	17.01.2014
2.		29.12.2014	60000	600000	13.01.2015
3.	Sun Solar BV	29.10.2015	134184	68299656	12.04.2016
4.			27670064 (CCDs)	276700640	
5.		28.01.2016	3657194	36571940	
6.		11.02.2016	186640	94999760	
7.			34272741 (CCDs)	342727410	
		Total		819999396	

The applicant filed form FCGPRs for the shares amounting to ₹ 819,999,396 /- as indicated above out of which shares allotted for ₹ 819,399,396 /- were reported with delays ranging from 25 days to 4 months 15 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 a report in form FCGPR along with



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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/ 358 /14.66.003/2019-20 dated August 08, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant vide mail dated August 12, 2019 stated that they are foregoing appearing for the personal hearing and requested that the compounding application may be disposed of 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 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. 20/2000-RB for delay in reporting the receipt of consideration to Reserve Bank of India relates to an amount of **₹ 345,000,642.38** with delays ranging from 1 month 29 days to 2 months 4 days approximately .

(b) 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 **₹ 819,399,396/-** with delays ranging from 25 days to 4 months 15 days approximately.

5. It has been declared in the compounding application dated July 11, 2019 that the particulars given by the applicant in the application are true and correct to the best of



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their knowledge and belief. It has been declared in the declaration dated July 11, 2019 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. 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.

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 **₹ 1,12,080/- (Rupees One Lakh Twelve Thousand and Eighty 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 **₹ 1,12,080/- (Rupees One Lakh Twelve Thousand and Eighty 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



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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 21st day of August 2019.

Sd/-

(Subrata Das)

Regional Director (Andhra Pradesh and Telangana) and
Chief General Manager (Hyderabad)