



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: September 18, 2019
C.A. HYD 432

In the matter of

M/s. Indus Renewable Energy India Private Limited
1st Floor, 8-2-684/3/55, Plot No. 55, Banjara Green
Road No.12, Banjara Hills
Hyderabad – 500 034

(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 thereunder, I pass the following

Order

The applicant has filed the compounding application dated May 29, 2019 received by us on June 10, 2019 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are (i) delay in reporting of receipt of foreign inward remittances towards subscription of equity and (ii) delay in submission of Form FCGPR to 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



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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 May 03, 2000 (hereinafter referred to as Notification No. FEMA 20/2000-RB) as then applicable.

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 November 10, 2008. The company is engaged in "Hydro Power Generation" activity.
- b) The applicant had received foreign inward remittances from two foreign investors as indicated below.

SI No	Name of Remitter	Total Amount (INR)	Date of Receipt	Date of Reporting
1	Indus Power & Infrastructure (Mauritius) Ltd	52636591.96	23.03.2009	17.04.2009
2		339932000	16.02.2010	17.03.2010
3		90364033	15.07.2010	11.08.2010
4		37474500	11.08.2011	24.01.2012
5		23137250	03.02.2012	28.02.2012
6		130532114	27.02.2012	15.03.2012
7		115014570	21.11.2012	17.12.2012
8		8936400	21.03.2013	09.04.2013
9		7201950	07.05.2013	24.05.2013
10		38265750	07.06.2013	01.07.2013
11		6352000	12.11.2013	18.11.2013
12		28810080	06.12.2013	23.12.2013
13		15027500	02.05.2014	15.05.2014
14		14602500	23.05.2014	02.06.2014
15	Indus Power & Infrastructure (Mauritius) Ltd	36234430	06.06.2014	13.06.2014
16		13239600	05.08.2014	07.08.2014



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17	Indus Power & Infrastructure (Mauritius) Ltd	21637000	24.11.2014	18.12.2014
18		24728000	30.01.2015	09.02.2015
19		10122000	04.02.2016	24.02.2016
Total		1,01,42,48,268.96		

The applicant reported receipt of remittances towards share subscription amounting to ₹ 1,01,42,48,268.96/- to the Regional Office of Reserve Bank of India out of which remittance amounting to ₹ 3,74,74,500/- was reported with a delay of 4 months 14 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 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-GPRs as indicated below:

Sl No	Name of investor	Date of allotment of shares	Number of shares/CC PS allotted	Amount for which shares allotted (INR)	Date of reporting
1	Indus Power & Infrastructure (Mauritius) Ltd	21.04.2009	5263659	52636590	29.04.2009
2		24.03.2010	33993200	339932000	08.05.2010
3		20.08.2010	4518201	90364020	12.11.2010
4		26.08.2011	1873725	37474500	24.01.2012
5		10.03.2012	1156862	23137240	05.04.2012
6		15.03.2012	6526605	130532100	11.04.2012
7		19.02.2013	5750728	115014560	25.02.2013
8		25.07.2013	2720205	54404100	05.08.2013
9		08.05.2014	2509479	50189580	05.06.2014
10		21.07.2014	2541846	50836920	22.09.2014
11		29.09.2014	661980	13239600	16.02.2015
12	Indus Power & Infrastructure (Mauritius) Ltd	11.12.2014	1081850	21637000	16.01.2015
13		23.02.2015	1236400	24728000	27.03.2015
14		23.03.2016	506100	10122000	22.04.2016
Total				1,01,42,48,210	



The applicant filed form FC-GPRs for the allotment of shares amounting to ₹ 101,42,48,210/- as indicated above, out of which shares amounting to ₹ 57,82,12,040/- and the same were reported with delays ranging from 2 days to 4 months 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 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/ 687 /14.66.003/2019-20 dated September 17, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant vide e-mail dated September 17, 2019 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 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 reporting the receipt of consideration towards issue of shares amounting to ₹ 3,74,74,500/- and the period of contravention is 4 months 14 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 shares to persons resident outside India and the contravention relates to an amount of



₹ 57,82,12,040/- and the period of contravention ranges from 2 days to 4 months approximately.

5. It has been declared in the compounding application dated May 29, 2019, 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, 2019 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. 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 ₹ 1,07,000/- (**Rupees One Lakh Seven Thousand 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 ₹ 1,07,000/- (**Rupees One Lakh Seven Thousand Only**) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 1st



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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 of accordingly.

Dated this 18th day of September 2019.

Sd/-

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