



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: June 26, 2019
C.A. HYD 421

In the matter of

M/s. TSI Business Parks (Hyderabad) Private Limited
Sy No. 115 (Part), Waverock Building, APIIC IT/ITES SEZ
Nanakramguda Village, Serlingampally Mandal
Hyderabad- 500 008

(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 the compounding application dated March 27, 2019 received by us on March 28, 2019 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued there under. The contravention 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 Schedule 1 to Foreign Exchange Management (Transfer or Issue of Security by a



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person resident outside India) Regulations, 2000 notified vide Notification No. FEMA 20/2000-RB dated 3rd May 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 March 10, 2006 (CIN: U45201TG2006PTC072536). The company is engaged in the business of “Developments of business parks”.

b) The applicant had received foreign inward remittances from two foreign investors as indicated below.

SI No	Name of the Remitter	Total Amount (INR)	Date of Receipt	Date of Reporting
1	TS Mauritius PH	2,18,174	04.08.2006	25.08.2006
2	TS Hyderabad 12A (formerly TS Mauritius PH)	3,01,17,916	11.08.2006	24.08.2006
3	TS Hyderabad 12A (formerly TS Mauritius PH)	7,96,01,800	29.09.2006	13.10.2006
4	TS Hyderabad 12A (formerly TS Mauritius PH)	22,38,08,750	26.03.2007	05.04.2007
5	TS Hyderabad 12A (formerly TS Mauritius PH)	19,70,43,375	14.08.2007	23.08.2007
6	TS Hyderabad 12A (formerly TS Mauritius PH)	6,83,81,625	04.06.2007	13.06.2007
7	TS Hyderabad 12A (formerly TS Mauritius PH)	15,63,64,353	07.08.2008	04.09.2008
8	TS Hyderabad 12A (formerly TS Mauritius PH)	46,08,69,000	06.10.2008	31.10.2008
9	TS Hyderabad 12A	17,50,00,000	28.11.2008	24.12.2008



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	(formerly TS Mauritius PH)			
10	TS Hyderabad 12A (formerly TS Mauritius PH)	22,50,00,000	04.03.2009	21.04.2009
11	TS Hyderabad 12A (formerly TS Mauritius PH)	35,00,00,000	30.07.2009	27.08.2009
12	TS Hyderabad 12A (formerly TS Mauritius PH)	25,00,00,000	26.10.2009	11.11.2009
13	TS Hyderabad 12A (formerly TS Mauritius PH)	20,00,00,000	01.06.2010	24.06.2010
14	TS Hyderabad 12A (formerly TS Mauritius PH)	2,50,00,000	05.04.2011	18.04.2011
15	TS Hyderabad 12A (formerly TS Mauritius PH)	10,00,00,000	04.09.2012	25.09.2012
16	TS Hyderabad 12A (formerly TS Mauritius PH)	10,00,00,000	20.09.2013	08.10.2013
17	TS Hyderabad 12A (formerly TS Mauritius PH)	20,00,00,000	17.12.2015	28.12.2015
18	Reco Rock Private Limited	20,00,00,000	15.12.2015	28.12.2015
	Total	304,14,04,993		

The applicant reported receipt of remittances towards share subscription amounting to ₹ 304,14,04,993/- as indicated above, out of which remittances amounting to ₹ 22,50,00,000/- was reported with the delay of 17 days approximately beyond the prescribed limit. 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



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SI No	Name of investor	Date of allotment of shares	Number of shares/CCPs allotted	Amount for which shares allotted (INR)	Date of reporting
1	TS Mauritius PH	05.08.2006	20,000	2,00,000	29.08.2006
2	TS Hyderabad 12A (formerly TS Mauritius PH)	19.04.2007	24,80,000 (Equities) 3,08,74,664 (CCPs)	33,35,46,640	12.06.2007
3	TS Hyderabad 12A (formerly TS Mauritius PH)	09.02.2008	1,97,04,336	19,70,43,360	08.03.2008
4	TS Hyderabad 12A (formerly TS Mauritius PH)	10.03.2008	68,38,162	6,83,81,620	31.03.2008
5	TS Hyderabad 12A (formerly TS Mauritius PH)	03.02.2009	79,22,332	79,22,33,200	16.02.2009
6	TS Hyderabad 12A (formerly TS Mauritius PH)	31.03.2009	22,50,000	22,50,00,000	25.04.2009
7	TS Hyderabad 12A (formerly TS Mauritius PH)	01.09.2009	35,00,000	35,00,00,000	17.09.2009
8	TS Hyderabad 12A (formerly TS Mauritius PH)	09.02.2010	25,00,000	25,00,00,000	02.03.2010
9	TS Hyderabad 12A (formerly TS Mauritius PH)	26.11.2010	20,00,000	20,00,00,000	20.12.2010
10	TS Hyderabad 12A (formerly TS Mauritius PH)	20.09.2011	2,25,000	2,25,00,000	18.10.2011
11	TS Hyderabad 12A (formerly TS Mauritius PH)	01.03.2013	10,00,000	10,00,00,000	18.03.2013



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12	TS Hyderabad 12A (formerly TS Mauritius PH)	18.03.2014	10,00,000	10,00,00,000	16.04.2014
13	TS Hyderabad 12A	21.12.2015	80,00,000	20,00,00,000	19.01.2016
14	Reco Rock Private Limited	21.12.2015	80,00,000	20,00,00,000	19.01.2016
		Total		303,89,04,920	

The applicant filed form FCGPRs for the allotment of shares amounting to ₹ **303,89,04,920/-** as indicated above out of which shares amounting to ₹ **33,35,46,640/-** was reported with the delay of 24 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 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/ 2945 /14.66.003/2018-19 dated June 24, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The personal hearing was held on June 25, 2019 during which Shri. Kotilingam K, Company Secretary and Shri. Mehul Thakkar, Senior General Manager, represented the applicant. The authorized representatives of the applicant admitted the contraventions for which the compounding has been sought. During the personal hearing it was submitted that the delay was not wilful or with a malafide intention but was mainly due to administrative lapse. In view of the foregoing, the representatives of the applicant requested to take a lenient view in disposal of the 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 reporting the receipt of consideration towards issue of shares amounting to **₹ 22, 50, 00,000/-** with a delay of 17 days approximately.

(b) Paragraph 9(1)(B) of Schedule 1 to Notification No. 20/2000-RB for 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 **₹ 33,35,46,640/-** with a delay of 24 days approximately.

5. It has been declared in the compounding application dated March 27, 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 April 23, 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 ₹ 36,000/- (**Rupees Thirty Six 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 and by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount ₹ 36,000/- (**Rupees Thirty Six Thousand 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 26th day of June 2019

Sd/-

(Subrata Das)

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