



In the

Reserve Bank of India
10/3/8, Nrupathunga Road
Bengaluru-560001

Present

Shri Jose J Kattoor
Regional Director, Karnataka and
Chief General Manager, Bengaluru

Date: May 22, 2019
C.A. BGL 381/2018

In the matter of

M/s SEI Sriram Power Private Limited
Suite No.701 and 702, 7th Floor
Prestige Meridian II, MG Road
Bengaluru - 560001
(Applicant)

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

ORDER

The applicant has filed a compounding application dated January 28, 2019, received at this Office of the Reserve Bank of India, Bengaluru, on February 13, 2019, for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999, (the FEMA), and the Regulations issued there under. The contravention sought to be compounded is delay in submission of form FC-GPR to the Reserve Bank, after issue of shares to a person resident outside India, in terms of Paragraph 9(1)(B) of Schedule I 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, and as amended from time to time (hereinafter referred to as Notification No. FEMA 20/2000-RB).

2. The relevant facts of the case are as follows: The applicant, M/s SEI Sriram Power Private Limited, was originally incorporated as M/s Emmvee Energy



Private Limited, on April 10, 2008, under the Companies Act, 1956, as per the Certificate of Incorporation issued by the Registrar of Companies, Karnataka. Subsequently, name of the company has been changed as M/s SEI Sriram Power Private Limited, on February 20, 2015, as per the Certificate of Incorporation pursuant to change of name, issued by the Assistant Registrar of Companies, Bangalore. The company is engaged in the business of construction of facilities in the field of renewable energy. The applicant had received funds towards share application money from foreign investor, namely, M/s SunE Solar B.V, Netherlands, as shown below:

Table -1

Sl. No	Date of receipt	Amount (INR)	Date of Reporting to RBI/AD
1	12-03-2015	22,26,25,200.00	10-04-2015
2	21-09-2015	7,87,88,980.00	17-10-2015
	Total	30,14,14,180.00	

3. The applicant company had allotted equity shares and filed form FC-GPR with Reserve Bank/AD Bank as indicated below:

Table-2

Sl. No.	Date of Allotment	Number of equity shares allotted	Amount (INR)	Date of reporting to RBI/AD Bank
1	13-03-2015	15901800	22,26,25,200.00	02-03-2017
2	29-10-2015	7162634	7,87,88,974.00	06-03-2017
	Total	23064434	30,14,14,174.00	

The applicant filed form FC-GPRs, on allotment of shares, with the Bengaluru Regional Office of the Reserve Bank of India / Authorized Dealer Bank, with a delay ranging from one year three months and six days to one year ten months and eighteen days, beyond the prescribed period of 30 days, in respect of the allotments as indicated in the Table – 2 above. Whereas, in terms of Paragraph 9(1)(B) of Schedule I to Notification No.FEMA 20/2000-RB, dated May 3, 2000,



an Indian company issuing shares in accordance with these Regulations, has to submit to Reserve Bank of India, a report in form FC-GPR, along with documents prescribed therein, within 30 days from the date of issue of shares to persons resident outside India.

4. The applicant company sought to be exempted from the personal hearing with the Compounding Authority vide their email dated May 21, 2019.

It has also been declared in the compounding application dated January 28, 2019, that the particulars given by the applicant company in the application are true and correct to the best of their knowledge and belief. It has further been declared in the undertaking, furnished along with the compounding application that the applicant company was not under any enquiry/investigation/adjudication by any agency as on the date of the application and has, in this regard, not been informed of initiation of any such enquiry/investigation/adjudication proceedings against it thereafter. Accordingly, the above contravention which is being compounded in this Order is subject to the veracity of the above declarations made by the applicant company 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.

The application is, therefore, being considered on the basis of the averments made in the compounding application and the documents submitted therein.

5. I have given my careful consideration to the documents on record. Accordingly, I hold that the applicant has contravened the following FEMA provision issued in terms of:

(a) Paragraph 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-RB, due to delay in submission of form FC-GPR to the Reserve Bank, after issue of shares to person/s resident outside India as detailed in Paragraph 3 above. The contravention relates to an amount of **₹30,14,14,174.00**, and the period of delay ranges from one year three months and six days to one year ten months and eighteen days.



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 **₹2,68,500.00 (Rupees Two Lakh Sixty Eight Thousand Five Hundred only)**, will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, contravention of Paragraph 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-RB, by the applicant, based on the facts discussed above, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of **₹2,68,500.00 (Rupees Two Lakh Sixty Eight Thousand Five Hundred only)**, which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 2nd Floor, 10/3/8, Nrupathunga Road, Bengaluru – 560001, by a demand draft drawn in favour of the “Reserve Bank of India” and payable at Bengaluru, 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 Twenty Second day of May 2019.

Sd/-

(Jose J Kattoor)
Regional Director, Karnataka and
Chief General Manager, Bengaluru