



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: December 26, 2018
C.A. HYD 342

In the matter of

M/s. LEPL Renergy Private Limited
No. 8-2-686/49/D/21/1, Road No-12
RC Layout, Banjara Hills
Hyderabad – 500 034

(Applicant)

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

Order

The applicant has submitted the compounding application dated October 25, 2018 received by us on October 30, 2018 for compounding of contraventions of the provisions of Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued there under. 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)



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of 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 3rd May 2000 as then applicable (herein after 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 January 05, 2012 (CIN: U40300TG2012PTC078432). The company is engaged in the business of “Electric power generation using other non-conventional sources”.
- b) The applicant had received foreign inward remittances from the following foreign investors as indicated below:

SI No	Name of Remitter	Amount (INR)	Date of Receipt	Date of Reporting
1	Futuretech Consultants LLC, USA	2,00,06,978.49	06.05.2014	07.06.2014
2	Futuretech Consultants LLC, USA	2,02,27,143	04.06.2014	03.07.2014
3	Futuretech Consultants LLC, USA	2,45,33,240	08.10.2014	05.06.2015
4	Futuretech Holding Company, USA	2,43,38,175	09.10.2014	05.06.2015
5	Futuretech Consultants LLC, USA	39,79,793	07.11.2014	05.06.2015
6	Futuretech Holding Company, USA	2,46,10,154	14.11.2014	05.06.2015
7	Futuretech Holding Company, USA	1,23,30,150	18.11.2014	05.06.2015
8	Futuretech Consultants LLC, USA	51,44,249	11.12.2014	05.06.2015
9	Futuretech Holding Company, USA	75,94,101	16.12.2014	05.06.2015
10	Futuretech Consultants LLC, USA	99,80,568	20.03.2015	05.06.2015
11	Futuretech Holding Company, USA	4,87,27,175	14.10.2015	07.01.2016
12	Futuretech Holding Company, USA	2,60,39,675	30.10.2015	07.01.2016
13	Futuretech Consultants LLC, USA	43,58,120	30.10.2015	07.01.2016
14	Futuretech Holding Company, USA	5,28,07,670	13.11.2015	28.01.2016
15	Futuretech Holding Company, USA	1,69,99,490	18.11.2016	17.06.2017
Total		30,16,76,681.49		



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The applicant reported receipt of remittances towards share subscription amounting to ₹ 30,16,76,681.49 to the Regional Office of Reserve Bank of India, out of which remittance amounting to ₹ 28,14,49,538.49 were reported with a delay ranging from 2 days to 6 months 29 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:

SI No	Name of investor	Date of allotment of CCDs	Number of CCDs allotted	Amount for which CCDs allotted (INR)	Date of Reporting
1	Futuretech Consultants LLC, USA	02.07.2014	40,23,411	4,02,34,110	07.01.2016
2	Futuretech Consultants LLC. USA	03.11.2014	24,53,324	2,45,33,240	07.01.2016
	Futuretech Holding Company, USA	03.11.2014	24,33,817	2,43,38,170	07.01.2016
3	Futuretech Consultants LLC, USA	31.12.2014	9,12,403	91,24,030	07.01.2016
	Futuretech Holding Company, USA	31.12.2014	44,53,440	4,45,34,400	07.01.2016
4	Futuretech Consultants LLC, USA	15.04.2015	9,98,056	99,80,560	07.01.2016
5	Futuretech Consultants LLC, USA	09.12.2015	4,35,812	43,58,120	29.06.2017
	Futuretech Holding Company, USA	09.12.2015	1,27,57,451	12,75,74,510	29.06.2017
6	Futuretech Holding Company, USA	10.01.2017	16,99,949	1,69,99,490	10.07.2017
Total			3,01,67,663	30,16,76,630	



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The applicant filed form FCGPRs for the allotment of shares amounting to ₹ 30,16,76,630/- to the Regional Office of Reserve Bank of India, which were reported with a delay ranging from 5 months 1 day to 1 year 5 months 21 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/ 1176 /14.66.003/2018-19 dated December 14, 2018 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant appeared for personal hearing on December 18, 2018 during which Shri. Ch. N.V. Ranga Kumar and Shri. A. Sreenivas 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. In view of the foregoing, the representative 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 delay in reporting the receipt of consideration towards issue of shares amounting to ₹ 28,14,49,538.49 with a delay ranging from 2 days to 6 months 29 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



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persons resident outside India and the contravention relates to an amount of ₹ 30,16,76,630/- with a delay ranging from 5 months 1 day to 1 year 5 months 21 days approximately.

5. It has been declared in the compounding application dated October 25, 2018 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 October 25, 2018 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. 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 ₹ 5,55,200/- (**Rupees Five Lakh Fifty Five Thousand Two Hundred 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 ₹ 5,55,200/- (**Rupees Five Lakh Fifty Five Thousand Two Hundred Only**) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 1st Floor, Saifabad, Hyderabad - 500004 by a



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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 December 2018

Sd/-

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