



In the

Reserve Bank of India
Foreign Exchange Department
Mumbai Regional Office
Main Building, 3rd floor
Shahid Bhagat Singh Marg, Fort
Mumbai 400 001

Present

J. K. Pandey
Chief General Manager

Date: June 29, 2018

C.A. No. 759/2018

In the matter of

ZTRIC India Private Limited
S No. 22H No 1+2+5 (Part)
Nandan Prospera Flat No A3- 1301
Baner, Pune - 411045

(Applicant)

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

Order

1. The applicant has filed the compounding application dated April 16, 2018 (received at the Reserve Bank of India on April 16, 2018) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are (i) delay in reporting receipt of foreign inward remittance towards subscription to equity and (ii) delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to a person resident outside India in terms of paragraphs 9(1)(A) and 9(1)(B) respectively, 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 May 3, 2000 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 company was incorporated on January 29, 2016, under the Companies Act, 2013 as ZTRIC India Private Limited. Its main activities are to plan, promote and organise an integrated and efficient development of Conventional/ Non-conventional/ Renewable sources of Energy and River Valley Projects in India and abroad including planning, investigation, research, design and preparation of preliminary, feasibility and detailed of Project Reports, construction of such power stations and project (including consequential environmental protection, afforestation and rehabilitation works) generation, transmission and distribution of power and also to develop the software or hardware related to green energy and renewable energy and to render the consultancy in respect thereof.

3. The applicant received foreign inward remittances from ZTRIC Inc., USA, towards equity / preference share capital and reported the same to the Reserve Bank of India as indicated below.

Sr. No.	Amount received in INR	Date of receipt	Date of reporting
1	6,75,800.00	25-02-2016	03-01-2017
2	20,49,000.00	01-03-2016	28-11-2016
3	33,50,000.00	03-03-2016	28-11-2016
4	33,10,000.00	13-04-2016	28-11-2016
5	66,00,000.00	11-05-2016	28-11-2016
6	33,17,500.00	20-07-2016	19-01-2017
7	65,90,000.00	02-08-2016	03-01-2017
8	1,34,24,000.00	06-12-2016	03-01-2017
9	2,36,42,500.00	11-01-2017	19-01-2017
10	16,03,750.00	28-06-2017	05-07-2017
Total	6,45,62,550.00		



The applicant reported receipt of remittances as listed from serial no. 1 to 7 on the pre page with a delay ranging from 4 Months 2 Days to 9 Months 9 Days, approximately. 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 foreign inward remittances 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.

4. The company allotted equity shares/preference shares/convertible preference shares and filed FC-GPR as indicated below:

Sr. No.	No. of shares	FV in INR	Amount in INR	Date of allotment	Date of filing
1	10000	10	1,00,000.00	27-02-2016	07-02-2017
2	928480	10	92,84,800.00	13-04-2016	07-02-2017
3	660000	10	66,00,000.00	30-06-2016	08-02-2017
4	990750	10	99,07,500.00	18-09-2016	08-02-2017
5	3706650	10	3,70,66,500.00	15-02-2017	11-08-2017
6	160375	10	16,03,750.00	01-08-2017	11-08-2017
			6,45,62,550.00		

The applicant filed form FC-GPR as listed from serial no. 1 to 5 above with a delay of 3 Months 22 Days to 10 Months 12 Days, approximately. 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.

5. The applicant was given an opportunity for personal hearing vide e-mail dated June 5, 2018, for further submission in person and/or producing documents, if any, in support of the application. The applicant appeared for the personal hearing on June 7, 2018, during which Shri Rohit Jayswal, Finance & Risk Head and Shri Gaurav Bhutada, Company Secretary, represented the applicant in the cabin of



Shri J. K. Pandey, Chief General Manager, Mumbai Regional Office. The representatives of the applicant admitted the contraventions for which compounding has been sought. During the personal hearing, it was submitted that the delay was inadvertent and unintentional. They requested that in view thereof, the matter may be viewed leniently. The application for compounding is, therefore, being considered on the basis of the averments made in the application as well as other documents and submissions submitted along with the application.

6. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing and thereafter. 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 due to the delay in reporting of receipt of foreign inward remittances towards subscription to equity as detailed in paragraph no. 3 above. The contravention relates to an amount of Rs.2,58,92,300.00 (Rupees Two Crore Fifty Eight Lakh Ninety Two Thousand Three Hundred Only) and the delay ranging from 4 Months 2 Days to 9 Months 9 Days, approximately.

(b) Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in submission of Form FC-GPR to the Reserve Bank of India after issue of shares to persons resident outside India as indicated in para no. 4 above. The contravention relates to an amount of Rs.6,29,58,800.00 (Rupees Six Crore Twenty Nine Lakh Fifty Eight Thousand Eight Hundred Only) and the delay ranging from 3 Months 22 Days to 10 Months 12 Days, approximately.

7. It has been declared in the compounding application dated April 16, 2018, that the particulars given by the applicant in the application are true and correct to the best of their/his/her knowledge and belief. It has further been stated in the declaration, 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



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enquiry/investigation/ adjudication proceedings against it/him/her 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.

8. 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 contraventions are to be compounded and I consider that an amount of Rs.66,660/- (Rupees Sixty Six Thousand Six Hundred Sixty Only) will meet the ends of justice.

9. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9(1)(A) and 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB by the applicant as stated above on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of Rs.66,660/- (Rupees Sixty Six Thousand Six Hundred Sixty Only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Mumbai Regional Office, Main Building, 3rd floor, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at "Mumbai" 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.

10. The above order is passed only in respect of contraventions of para 9(1)(A) and 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB and does not



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restrict the right of any other authority to proceed against the Company for any other violations/contraventions noticed at any point of time.

The application is disposed of accordingly.

Dated: June 29, 2018.

Compounding Authority

Sd/-

(J. K. Pandey)
Chief General Manager