



In the
Reserve Bank of India
Foreign Exchange Department
Fort Glacis, No.16, Rajaji Salai
Chennai 600 001

Present

R Kesavan
Chief General Manager

Date : November 01, 2017
C.A.704/2016

In the matter of

M/s. SEI Aditi Power Pvt Ltd.
Old No.110, New No.165, 10th Floor,
Menon Eternity, St. Mary's Road, Alwarpet,
Chennai-600 018

(Applicant)

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

Order

The applicant has filed a compounding application dated August 07, 2017 (received at Reserve Bank on August 11, 2017) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued there under. The contraventions sought to be compounded are (i) delay in reporting of



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inflow of funds received from a person resident outside India for allotment of shares, and (ii) delay in submission of Form FC-GPR on allotment of shares with Reserve Bank, in terms of Paragraph 9 (1) A and Paragraph 9 (1) B respectively, 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 3, 2000.

2. The relevant facts of the case are as follows: The applicant company was incorporated

on November 21, 2014 under the provisions of the Companies Act, 1956 (Registration No. U40102TN2014FTC098142) and is engaged in business of electric power generation using solar energy. The applicant received foreign inward remittances from i) M/s. SunEdison Energy Holding (Singapore) Pte. Ltd., Singapore, ii) M/s SunEdison Products

Singapore Pte Ltd., Singapore iii) M/s SunE Solar B.V., Netherlands towards subscription

to equity shares and reported the same to the Reserve Bank as below:

Sl. No.	Amount of Inward Remittance in Rs.	Date of receipt	Reported to RBI on
1	3,08,900.00	03.12.2014	03.01.2015
2	18,82,800.00	16.03.2015	20.03.2015
3	9,55,50,000.00	03.06.2015	12.06.2015
4	6,38,30,000.00	10.06.2015	22.06.2015
5	11,58,15,000.00	04.09.2015	11.09.2015
6	11,60,25,000.00	05.09.2015	08.12.2015
7	20,10,90,000.00	14.01.2016	10.02.2016
8	20,77,93,000.00	14.01.2016	10.02.2016

The applicant reported receipt of remittances to the Reserve Bank on dates indicated above with delay of two months three days approximately beyond the prescribed period of 30 days in respect of the remittance at Sl. No.6. Whereas, in terms of paragraph 9 (1)



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A of Schedule I 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.

3. The company allotted equity shares and filed FC-GPRs as indicated below:

Sl. No	No. of shares allotted	Face Value (in Rs.)	Amount (INR)	Date of allotment of shares	Reported to RBI on
1	30890	10	3,08,900	29.01.2015	08.04.2016
2	188280	10	18,82,800	14.05.2015	19.04.2016
3	76378	10	9,55,48,878	05.06.2015	08.04.2016
4	51023	10	6,38,29,773	11.06.2015	08.04.2016
5	23184000	10	23,18,40,000	26.10.2015	08.04.2016
6	37858830	10	37,85,88,300	25.01.2016	08.04.2017
7	3029470	10	3,02,94,700	15.02.2016	25.05.2017

The applicant filed form FC-GPRs as indicated above with delay ranging from four months

12 days to one year two months 10 days approximately beyond the prescribed limit in respect of the allotments. Whereas in terms of paragraph 9 (1) B of Schedule I 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.

4. The applicant was given an opportunity for personal hearing vide Reserve Bank's mail dated October 27, 2017 for further submission in person and/or producing documents, if any, in support of the application. The applicant vide e-mail dated October 31, 2017 opted not to appear for the personal hearing. The applicant, in the compounding application, had admitted the contraventions as stated in para 2 and 3 above for which compounding has been sought. It had been submitted that the delays were unintentional. The application for compounding is, therefore, being considered on



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the basis of the averments made in the application as well as other documents and submissions made in this context by the applicant.

5. I have given my careful consideration to the documents on record and submissions made by the applicant in the compounding application. 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 delay

in reporting of receipt of inward remittances towards subscription of equity shares as detailed in paragraph 2 above. The contravention relates to an amount of ₹11,60,25,000/- with the duration of contravention being two months three days approximately; and

(b) Paragraph 9 (1) B of Schedule 1 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 persons resident outside India and the contravention relates to an amount of ₹ 80,22,93,351/- with the duration of contravention ranging from four months 12 days to one year two months 10 days approximately.

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 contraventions are to be compounded and I consider that an amount

of ₹ **3,48,970/-** (Rupees three lakh forty eight thousand nine hundred and seventy only) will meet the ends of justice.

7. 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



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the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of **₹ 3,48,970/-** (Rupees three lakh forty eight thousand nine hundred and seventy only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Fort Glacis, No.16, Rajaji Salai, Chennai - 600 001 by a demand draft drawn in favour of the “Reserve Bank of India” and payable at Chennai 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 First day of November, 2017.

Sd/-

R Kesavan
Chief General Manager