



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
3rd Floor, Main Building
Ram Bagh Circle, Tonk Road
Jaipur-302 004

Present

Shri Viren Mohun
Assistant General Manager

Date: February 6, 2020

C.A. JAI 23/2019

In the matter of

M/s Salucro Healthcare Solutions India Pvt. Ltd.
410, Sun N Moon Chambers, S-4 Linking Road
Near Ajmer Pulia, Jaipur, Rajasthan - 302006

(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 September 27, 2019 (received at Reserve Bank of India, Jaipur on October 1, 2019) 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 of inflow of funds received from 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, as then applicable (hereinafter referred to as Notification No. FEMA 20/2000-RB).



2. The relevant facts of the case are as follows:

a) The applicant was incorporated on October 29, 2016 under the provisions of the Companies Act, 2013 (Registration Number U72900RJ2016FTC056294) and is engaged in the business of Computer consultancy and computer facilities management activities.

b) The applicant received foreign inward remittances on two occasions in 2017 from Salucro International LLC, USA and Salucro Healthcare Solutions LLC, USA towards subscription to equity shares /CCPSs. However, the company delayed in FDI reporting, received from Salucro Healthcare Solutions LLC, as per the details mentioned in table A below:

Table 'A'

S.no	Date of Receipt	Amount of Inward Remittance in (₹)	Date of Reporting	Delay in reporting in days (Para 9(1)(A))
1	26/04/2017	99.37	16/06/2017	20

The applicant reported receipt of above mentioned remittance to the Reserve Bank of India, Jaipur on the date indicated above with a delay of 20 days approximately, beyond the stipulated time of 30 days. Whereas, in terms of Paragraph 9(1)(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.

c) The applicant company had allotted equity shares/CCPS to its foreign investors, Salucro International LLC, USA and Salucro Healthcare Solutions LLC, USA and filed FC-GPR with delay as indicated in table B below:

Table B:

S.no	Date of Allotment	Amount (₹)	Date of Reporting	Delay in reporting in days (Para 9(1)(B))
1	01/05/2017	1,00,100.00	30/04/2019	699



The applicant filed the form FC-GPR as indicated above with a delay of one year eleven months and four days approximately. 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 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 issue of shares to person resident outside India.

3. The applicant was given an opportunity for personal hearing vide Reserve Bank's letter FED.JP.No.482/06.10.465/2019-20 dated January 28, 2020 for further submission in person and/or producing documents, if any, in support of its application for compounding of contravention of the provisions of FEMA. The applicant company vide its e-mail dated January 30, 2020 and January 31, 2020 had submitted that Shri Piyush Bhan, Vice President & General Manager and Shri Anil Singh, Manager, Accounts & Administration, will be present for personal hearing on February 03, 2020. Accordingly, they appeared for personal hearing on the said date. During the personal hearing, they accepted that their company had applied for compounding for contraventions of para 9(1)(A) and 9(1)(B) of Schedule I to FEMA 20/2000 - RB. They also submitted that the delays were a result of procedural lapse and the company had no wilful or malafide intention. They requested to take a lenient view in the matter. 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 made in this context by the applicant during personal hearing and thereafter.
4. It has been declared in the compounding application dated September 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 undated 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 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. 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.

5. I have given my careful consideration to the documents on record available with me. Accordingly, I hold that the applicant has contravened the following provisions of FEMA, 1999:
 - a) Paragraph 9 (1) (A) of Schedule I 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.b above. The contravention relates to total amount of ₹ 99.37 (Rupees ninety nine and paisa thirty seven only) with a delay of 20 days approximately; and
 - b) 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 of India after issue of shares to persons resident outside India as detailed in Paragraph 2.c above. The contravention relates to total amount of ₹ 1,00,100.00 (Rupees one lakh and one hundred only) with a delay of one year eleven months and four days approximately.
6. In terms of Section 13 of the Foreign Exchange Management Act, 1999, 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 and that an amount of **₹ 22,000.00 (Rupees twenty two thousand only)** will meet the ends of justice.
7. Accordingly, I compound the admitted contraventions namely contravention of Paragraphs 9(1)(A) and 9(1)(B) of Schedule I 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 of **₹ 22,000.00 (Rupees twenty two thousand only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Jaipur – 302004 by way of a demand draft drawn in favour of the “Reserve Bank of India” and payable at Jaipur 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.

8. The application is disposed of accordingly.
Dated this 6th day of February 2020.

Compounding Authority

-Sd/-

(Viren Mohun)
Assistant General Manager