



In the  
**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
Secretariat Road  
Saifabad, Hyderabad 500 004

Present  
Shri P Kalyan Chakravarthy  
Assistant General Manager

Date: January 24, 2020  
C.A. HYD 475

In the matter of

M/s. Slayback Pharma India LLP  
#310, 3<sup>rd</sup> floor, Manjeera Trinity Corporate,  
Survey No. 1050, Plot No.S2, KPHB Phase-III,  
Kukatpally, Hyderabad-500072

**(Applicant)**

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

**Order**

The applicant has filed the compounding application dated December 03, 2019 received on December 09, 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 receipt of foreign inward remittance for capital contribution and (ii) Delay in filing of Annual return on Foreign Liabilities and Assets (FLA) in terms of Paragraph 6(1) of Schedule 9 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 3<sup>rd</sup> May 2000 as then applicable (herein after referred to as Notification No. FEMA 20/2000-RB) and Regulation 13.1(3) of Notification No. FEMA 20(R)/2017-RB dated 07<sup>th</sup> November 2017 as then applicable.

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

- a) The applicant is a Limited Liability Partnership (LLP) (LLPIN – AAI-8691), incorporated on March 17, 2017, with Slayback Pharma LLC represented by Mr. Ajay Kumar Singh and Mr. Gyan Ranjan Singh as “Designated Partners”. Subsequently, LLP deed was reconstituted and Mr. Sowmen Sushil Kumar Porel was added as “Designated Partner”. The applicant is engaged in the business of pharmaceuticals research and development.
- b) The applicant had received foreign inward remittance as indicated below.

S No.	Name of Remitter	Total Amount (INR)	Date of Receipt	Date of Reporting
1	Slayback Pharma LLC	3,21,150	20.04.2017	18.11.2019

The applicant reported receipt of remittance towards share subscription amounting to ₹ 3,21,150/- to the Regional Office of Reserve Bank of India with a delay of 2 years 5 months 29 days approximately beyond the prescribed time. Whereas in terms of Paragraph 6(1) of Schedule 9 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 3<sup>rd</sup> May 2000 as then applicable (herein after referred to as Notification No. FEMA 20/2000-RB), an Indian LLP receiving Foreign Direct Investment 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.



b) The applicant has delayed in filing FLA Return (Foreign Liabilities and Assets) as shown below:

S No	Financial Year	Due date to file	Actual date of filing
1	2017-18	15.07.2018	14.01.2020

The applicant had filed FLA return for the financial year 2017-18 with a delay of 1 year 6 months approximately beyond the prescribed time. Whereas in terms of Regulation 13.1(3) of Schedule 1 to Notification No. FEMA 20(R)/2017-RB dated November 07, 2017, "All Indian companies which have received Foreign Direct Investment in the previous year(s) including the current year shall submit to the Reserve Bank of India, on or before the 15th day of July of each year, [a report titled 'Annual Return on Foreign Liabilities and Assets' (FLA) as specified by the Reserve Bank from time to time].

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/1595/14.66.003/2019-20 dated January 22, 2020 for further submission in person and/or producing documents, if any, in support of the application.

(b) Shri Sowmen Sushil Kumar Porel, Designated Partner and Ms.Radhika Maheshwary, Company Secretary, appeared for personal hearing on January 23, 2020. They 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 but was on account of administrative lapses. In view of the above, 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 as well the submissions made in this context by the applicant during the personal hearing.



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 6 (1) of Schedule 9 to Notification No. FEMA 20/2000-RB for delay in reporting of inward remittance for capital contribution and the contravention relates to an amount of ₹ 3,21,150 /- with a delay of 2 years 5 months 29 days approximately.

(b) Regulation 13.1(3) of Schedule 1 to Notification No. FEMA 20 (R)/2017-RB dated November 07, 2017 for delay in filing of Annual Return on Foreign Liabilities and Assets to Reserve Bank of India for the financial year 2017-18 with a delay of 1 year 6 months approximately.

5. It has been declared in the compounding application dated December 03, 2019 that the 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 December 05, 2019 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, 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.

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 **₹ 22,500/- (Rupees Twenty Two Thousand Five Hundred Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 6 (1) of Schedule 9 to Notification No. FEMA.20/2000-RB and Regulation 13.1(3) of Schedule 1 to Notification No. FEMA 20(R)/2017-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 **₹ 22,500/- (Rupees Twenty Two Thousand Five 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 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 of accordingly.  
Dated this 24<sup>th</sup> day of January 2020

Sd/-  
(P Kalyan Chakravarthy)  
Assistant General Manager