



In the  
**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
6, Sansad Marg  
New Delhi - 110001

Present  
**V. G. Sekar**  
**Chief General Manager**  
Date: November 29, 2019  
CA No. NDL 487/2019

In the matter of  
**Clearmedi Healthcare Private Limited**  
F-14/22, Model Town-II, Delhi - 110009  
**(Applicant)**

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

#### **ORDER**

The applicant has filed the compounding application dated June 19, 2019 (received at Reserve Bank of India, New Delhi on July 3, 2019) and addendum dated NIL (received on August 2, 2019) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (hereinafter referred to as FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are those of (i) delay in reporting foreign inward remittances received for issue of shares, and (ii) delay in filing Form FC-GPR after issue of shares, 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 (hereinafter referred to as FEMA 20/2000-RB), as amended from time to time.



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

(a) The applicant company, incorporated on October 8, 2010, is engaged in other human health activities n.e.c. (including independent ambulance activities).

(b) The applicant had reported receipt of foreign inward remittance on eighteen occasions from March 2011 to December 2018. On six occasions, the applicant had reported the remittances received from its foreign investors viz. M/s Medipass Healthcare Limited, U.K. and M/s Medipass SRL, Italy with delay ranging from 1 month and 11 days to 1 year, 6 months and 6 days beyond the prescribed period, as detailed below, in contravention of paragraph 9(1)(A) of Schedule 1 to FEMA 20/2000-RB, as then applicable.

Sl. No.	Date of Receipt	Amount (₹)	Date of Reporting
1	08.03.2011	1,04,548.82	18.05.2011
2	08.11.2013	1,50,00,000.00	26.02.2014
3	08.11.2013	1,00,00,000.00	26.02.2014
4	08.11.2013	1,50,00,000.00	26.02.2014
5	23.12.2015	5,58,44,375.00	28.07.2017
6	23.12.2016	5,00,08,025.00	06.01.2018
	<b>Total</b>	<b>14,59,56,948.82</b>	

Whereas, in terms of paragraph 9(1)(A) of Schedule 1 to FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures or warrants in accordance with these Regulations shall submit through AD bank to the Regional Office concerned of the Reserve Bank under whose jurisdiction the Registered office of the company operates, not later than 30 days from the date of receipt of the amount of consideration received by Indian company for issue of shares or convertible debentures or warrants, a report in Advance Reporting Form as specified by Reserve Bank from time to time along with documents prescribed therein. Further, on one occasion the delay was in contravention of the provisions of Regulation 13.1(1) of FEMA 20(R)/2017-RB, as then applicable, and the applicant paid Late Submission Fee (LSF) for the said contravention as required in terms of Regulation 13.2 of FEMA 20(R)/2017-RB.

(c) The applicant had reported the issue of shares on thirteen occasions from April 2011 to December 2018. On nine occasions, the applicant had reported the issue of shares to its foreign investors viz. M/s Medipass Healthcare Limited, U.K. and M/s Medipass SRL, Italy with delay ranging from 2 days to 2 years, 1 month and 25 days beyond the prescribed period, as detailed below, in contravention of paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, as then applicable.



Sl. No.	Date of Issue	Amount (₹)	Date of Reporting
1	05.04.2011	1,04,100.00	21.07.2011
2	19.05.2011	47,81,000.00	01.07.2011
3	21.12.2012	1,27,50,000.00	22.01.2013
4	01.07.2013	1,40,55,500.00	28.08.2013
5	17.07.2013	3,43,94,500.00	27.08.2013
6	28.12.2013	3,99,99,980.00	26.02.2014
7	26.02.2014	3,99,99,980.00	24.04.2014
8	23.12.2015	5,58,44,460.00	04.09.2017
9	26.12.2016	5,00,07,495.00	22.03.2019
	<b>Total</b>	<b>25,19,37,015.00</b>	

Whereas, in terms of paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures or warrants in accordance with these Regulations shall submit through AD bank to the Regional Office concerned of the Reserve Bank under whose jurisdiction the Registered office of the company operates, not later than 30 days from the date of issue of shares or convertible debentures or warrants, a report in Form FC-GPR as specified by the Reserve Bank from time to time together with documents prescribed therein. Further, on two other occasions the delays were in contravention of the provisions of Regulation 13.1(2) of FEMA 20(R)/2017-RB, as then applicable, and the applicant paid Late Submission Fee (LSF) for the said contraventions as required in terms of Regulation 13.2 of FEMA 20(R)/2017-RB.

(d) Thus, there are contraventions of paragraphs 9(1)(A) and 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, as then applicable.

3. The applicant was given an opportunity for personal hearing for further submission in person and/ or by producing documents, if any, in support of the application. Ms. Surbhi Sharma, Company Secretary, appeared for personal hearing on November 29, 2019 on behalf of the applicant. The representative admitted the contraventions committed by the applicant for which compounding has been sought. During the personal hearing, she submitted that the contraventions were without any *malafide* or wilful intention but were mainly due to non-availability of Director(s) in India during the time of filing, delay in receipt/ revision of KYC from their AD bank, crash of company's server etc. She requested for a lenient view in the matter. The application for compounding is, therefore, being considered on the basis of averments made in



the application as well as other documents and submissions made during the personal hearing.

4. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened the following FEMA provisions:

(a) Paragraph 9(1)(A) of Schedule 1 to FEMA 20/2000-RB, as then applicable, on account of delay in reporting foreign inward remittance received for issue of shares as detailed in paragraph 2(b) above. The contraventions relate to an amount of ₹14,59,56,948.82 (Rupees Fourteen Crore Fifty Nine Lakh Fifty Six Thousand Nine Hundred Forty Eight and Paise Eighty Two only) and the period of delay ranges from 1 month and 11 days to 1 year, 6 months and 6 days.

(b) Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, as then applicable, on account of delay in filing Form FC-GPR after issue of shares as detailed in paragraph 2(c) above. The contraventions relate to an amount of ₹25,19,37,015/- (Rupees Twenty Five Crore Nineteen Lakh Thirty Seven Thousand and Fifteen only) and the period of delay ranges from 2 days to 2 years, 1 month and 25 days.

5. It has been declared in the compounding application dated June 19, 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 also been declared in the declaration dated June 19, 2019 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.

6. In terms of Section 13 of 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. After considering the submissions made by the applicant and the entire



facts and circumstances of the case I am persuaded to compound the contraventions, in line with the Guidance Note on Computation Matrix prescribed as part of Master Direction – Compounding of Contraventions, framed in accordance with the Foreign Exchange (Compounding Proceedings) Rules, 2000. Accordingly, it stands to reason that payment of an amount of **₹3,99,480/- (Rupees Three Lakh Ninety Nine Thousand Four Hundred and Eighty only)** will meet the ends of justice in the circumstances of this case.

7. Accordingly, I compound the admitted contraventions of paragraphs 9(1)(A) and 9(1)(B) of Schedule 1 to FEMA 20/2000-RB, as then applicable, by the applicant based on the facts detailed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of **₹3,99,480/- (Rupees Three Lakh Ninety Nine Thousand Four Hundred and Eighty only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 6, Sansad Marg, New Delhi - 110001 by a demand draft drawn in favour of the “Reserve Bank of India” and payable at New Delhi 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 the 29<sup>th</sup> day of November 2019.

Sd/-  
**(V.G. Sekar)**  
**Chief General Manager**