



In the

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

Present

Smt. N Sara Rajendra Kumar
General Manager

Date: October 28, 2019
C.A. HYD 448

In the matter of

M/s. Mapmygenome India Limited
Royal Demeure, Plot No. 12/2, Sector-1
HUDA Techno Enclave
Madhapur, Hyderabad - 500 081

(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 August 13, 2019 received by us on August 20, 2019 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are (i) delay in reporting of receipt of foreign inward remittances towards subscription of equity, (ii) delay in submission of form FC-GPR to the Reserve Bank after issue of shares to a person resident outside India and (iii) delay in filing the Annual Return in respect of the Foreign Liabilities and Assets (FLA Return) in terms of Paragraph 9(1)(A),



Paragraph 9(1)(B), Paragraph 9(2) 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 3rd May 2000 as then applicable (hereinafter referred to as Notification No. FEMA 20/2000-RB) and Regulation 13.1(3) of Schedule I to Notification No. FEMA 20(R)/2017-RB dated November 07, 2017 as amended from time to time respectively.

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

- a) The applicant is a resident company incorporated as Public Limited Company under the Companies Act, 1956 on February 10, 2012 (CIN: U24232TG2012PLC079091). The company is engaged in the “Activities of independent diagnostic/pathological laboratories”.
- b) The applicant had received foreign inward remittances from foreign investors as indicated below:

S.No	Name of remitter	Amount (INR)	Date of Receipt	Date of reporting
1	Amit J Basu	30,30,196.95	23.01.2015	02.04.2015
2	Singapore Angel Network Pte Ltd	62,22,000	12.02.2015	02.04.2015
	Total	92,52,196.95		

The applicant reported receipt of remittances towards share subscription amounting to ₹ **92,52,196.95** to the Regional Office of Reserve Bank of India with delays ranging from 19 days to 1 month 9 days approximately as indicated above. 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 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 allotted equity shares and filed form FC-GPRs as indicated below:

S.No	Name of investor	Date of allotment of shares	No. of Shares allotted	Amount for which shares allotted (INR)	Date of reporting
1	Amit J Basu	25.02.2015	3,030	30,30,000	29.05.2015
2	Singapore Angel Network Pte Ltd		6,222	62,22,000	
		Total	9,252	92,52,000	

The applicant filed two form FC-GPRs for the allotment of shares amounting to ₹ 92,52,000/- which were reported with delays of 2 months 2 days approximately beyond the prescribed limit. 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 FCGPR along with documents prescribed therein within 30 days from the date of issue of shares to person resident outside India.

d) The company has delayed in filing FLA Return (Foreign Liabilities and Assets) as shown below. Here the period of contravention ranges from 1 year 3 months to 4 years 3 months approximately.

SI No	Particulars	Financial year	Due date of filing the return	Date of actual filing
1	FLA Return	2014-15	15.07.2015	15.10.2019
2	FLA Return	2015-16	15.07.2016	15.10.2019
3	FLA Return	2016-17	15.07.2017	15.10.2019



Compounding of contraventions under FEMA 1999
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4	FLA Return	2017-18	15.07.2018	15.10.2019
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Whereas in terms of Paragraph 9(2) of Schedule I to Notification No. FEMA 20/2000-RB dated May 03, 2000 as then applicable and Regulation 13.1(3) of Schedule I to Notification No. FEMA 20(R)/2017-RB dated November 07, 2017 as amended from time to time, "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/ 908 /14.66.003/2019-20 dated October 18, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant appeared for personal hearing on October 21, 2019 during which Shri. K.C. Sreedhar, Manager (Finance & Accounts) and Shri. CA. Shiva Rami Reddy, Chartered Accountant represented the applicant. The authorized representatives of the applicant 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 due to lack of awareness of FEMA provisions. In view of the foregoing, the representative of 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.

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 9(1)(A) of Schedule 1 to Notification No. FEMA 20/2000-RB for delay in reporting the receipt of consideration towards issue of shares amounting to **₹ 92,52,196.95** and the period of contravention ranges from 19 days to 1 month 9 days approximately.

(b) Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB for delay in submission of Form FC-GPR to Reserve Bank of India after issue of shares to persons resident outside India and the contravention relates to an amount of **₹ 92,52,000/-** and the period of contravention is 2 months 4 days approximately.

(c) Paragraph 9(2) of Schedule I to Notification No. FEMA 20/2000-RB and Regulation 13.1(3) of Schedule I to Notification No. FEMA 20(R)/2017-RB for delay in filing of Annual Return on Foreign Liabilities and Assets to Reserve Bank of India for four financial years viz, 2014-15 to 2017-18 with delays ranging from 1 year 3 months to 4 years 3 months approximately.

5. It has been declared in the compounding application dated August 13, 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 declaration dated August 13, 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 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 **₹ 62,749 /- (Rupees Sixty Two Thousand Seven Hundred Forty Nine Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9(1)(A), Paragraph 9(1)(B), Paragraph 9(2) of Schedule 1 to Notification No. FEMA 20/2000-RB and Regulation 13.1(3) of Schedule I 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 **₹ 62,749 /- (Rupees Sixty Two Thousand Seven Hundred Forty Nine 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 28th day of October 2019.

Sd/-

(N Sara Rajendra Kumar)
General Manager