



In the  
**Reserve Bank of India**  
**Foreign Exchange Department**  
**Mumbai Regional Office**  
**Main Building, 3rd floor**  
**Shahid Bhagat Singh Marg, Fort**  
**Mumbai 400 001**

**Present**  
**Shri J.K. Pandey**  
**Chief General Manager**

**February 15, 2019**

**CA No. MUM 802/2018**

In the matter of  
**M/s Magpie Life Management Services India Private Limited**  
19 B 072, Kohinoor City Phase-II,  
Kiroli Road, Off LBS Road, Kurla (W),  
Mumbai 400070

**(Applicant)**

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

**Order**

- 1** The applicant has filed the compounding application dated September 17, 2018, received at the Reserve Bank on October 17, 2018, for compounding of contravention/s of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are in respect of the following paragraphs under 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 and as amended from time to time (hereinafter referred to as Notification No. FEMA 20/2000-RB); and/or Regulations/Paragraphs under FEMA Notification No 20 (R)/2017- RB dated November 07, 2017 (as amended from time to time), (hereinafter referred to as the Notification No FEMA 20 (R)/2017- RB.)



- a) Para 9 (1) (A) under Schedule I to Notification No. FEMA 20/2000- RB and/or Regulation 13.1 (1) of Notification No. FEMA 20R/2017- RB: Delay in reporting receipt of foreign inward remittance towards subscription to equity
- b) Para 9 (1) (B): under Schedule I to Notification No FEMA 20/2000- RB and/or Regulation 13.1 (2) of Notification No FEMA 20R/2017- RB: delay in filing Form FC GPR to Reserve Bank after issue of shares to person resident outside India
- 2 Brief details of the company M/s Magpie Life Management Services India Private Limited are as follows:

<b>Date of Incorporation</b>	April 29, 2015
<b>Its main activities are:</b>	Other information technology and computer service activities.

- 3 The applicant received foreign inward remittances from non-resident investors towards equity shares / compulsorily convertible preference shares/ compulsorily convertible debentures and it reported the same to the Reserve Bank on dates as indicated below.

<b>Delay under 9(1)(A) &amp;/or Para 8</b>						
<b>(whereas, "Y" represents delay in number of years, "M" represents delay in number of months and "D" represents delay in number of days, and LSF stands for : Late Submission Fees</b>						
<b>S No/ LSF</b>	<b>Date of inward remittance</b>	<b>Amount received (in INR)</b>	<b>Date of reporting to RBI</b>	<b>Para 9 (1) (A)/ Regulation 13.1 (1) delay</b>	<b>Date of allotment / refund</b>	<b>Para 8/ Para 2(2) delay</b>
1	03/08/15	4,577,000.00	10/09/15	0Y 0M 7D	29/04/15	0
2	09/06/15	1,000,000.00	21/10/15	0Y 3M 11D	29/04/15	0
3	21/01/16	2,000,000.00	27/04/16	0Y 2M 6D	17/03/16	0
4	16/03/16	2,340,750.00	19/05/16	0Y 1M 2D	17/03/16	0
5	16/05/16	2,353,250.00	30/12/16	0Y 6M 13D	17/05/16	0
6	04/10/16	2,093,500.00	21/03/17	0Y 4M 14D	04/10/16	0
7	05/08/16	2,500,000.00	17/03/17	0Y 6M 9D	04/10/16	0
8	28/10/16	2,499,300.00	21/03/17	0Y 3M 21D	21/11/16	0
9	29/12/16	2,370,900.00	21/03/17	0Y 1M 20D	17/01/17	0
10	03/02/17	2,087,500.00	23/03/17	0Y 0M 17D	23/03/17	0
11	10/03/17	2,407,800.00	28/06/17	0Y 2M 18D	23/03/17	0
12	03/05/17	2,848,650.00	28/06/17	0Y 0M 25D	01/06/17	0
13	18/07/17	2,891,000.00	16/08/17	0	11/09/17	0
14	27/09/17	3,019,100.00	03/01/18	0Y 2M 6D	20/10/17	0
15	04/12/17	1,721,600.00	03/01/18	0	13/12/17	0
16	20/03/18	2,336,755.00	12/04/18	0	10/05/18	0
17	03/04/18	450,400.00	12/04/18	0	10/05/18	0
<b>TOTAL</b>		<b>39,497,505.00</b>				



The applicant reported receipt of remittances to the Reserve Bank of India on dates indicated above with a delay ranging from 0Y 0M 7D to 0Y 6M 13D further the applicant company delayed in reporting in 13 out of 17 total remittances beyond the stipulated time of 30 days. Whereas, in terms of Paragraph 9 (1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB and/or Regulation 13.1 (1) of FEMA 20R/2017-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.

- 4 The company allotted equity shares/compulsorily convertible preference shares/compulsorily convertible debentures and filed FC-GPRs as indicated below:

<b>Contravention under Para 9(1)(B)</b>						
<b>(whereas, "Y" represents delay in number of years, "M" represents delay in number of months and "D" represents delay in number of days, LSF stands for : Late Submission Fees and FV stands for Face Value)</b>						
<b>Sno/ LSF</b>	<b>Date of allotment</b>	<b>Number of shares</b>	<b>FV+ premium (in INR)</b>	<b>Amount (FV*no of shares) (in INR)</b>	<b>Date of reporting</b>	<b>Para 9 (1) (B)/ Reg 13.1 (2) delay</b>
1	29/04/15	550000	10	5,500,000.00	24/11/15	<b>0Y 5M 25D</b>
2	17/03/16	8348	520	4,340,960.00	30/12/16	<b>0Y 8M 12D</b>
3	17/05/16	4525	520	2,353,000.00	05/05/17	<b>0Y 10M 18D</b>
4	04/10/16	14354	320	4,593,280.00	02/05/17	<b>0Y 5M 28D</b>
5	21/11/16	7811	320	2,499,520.00	02/05/17	<b>0Y 4M 11D</b>
6	17/01/17	7409	320	2,370,880.00	02/05/17	<b>0Y 2M 15D</b>
7	23/03/17	14047	320	4,495,040.00	02/05/17	<b>0Y 0M 9D</b>
8	01/06/17	8902	320	2,848,640.00	25/07/17	<b>0Y 0M 23D</b>
9	11/09/17	12569	230	2,890,870.00	09/04/18	<b>0Y 5M 26D</b>
10	20/10/17	13126	230	3,018,980.00	09/04/18	<b>0Y 4M 17D</b>
LSF Paid	13/12/17	7485	230	1,721,550.00	09/04/18	<b>LSF Paid</b>
LSF Paid	10/05/18	12118	230	2,787,140.00	26/07/18	<b>LSF Paid</b>
	<b>TOTAL</b>			<b>39,419,860.00</b>		



The applicant filed form FC-GPRs as indicated above with a delay ranging from 0Y 0M 9D to 0Y 10M 18D. Whereas, in terms of Paragraph 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB, and/or Regulation 13.1 (2) of Notification No FEMA 20R/2017- 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. In case of the allotments made on December 13, 2017 & May 10, 2018 amounting to Rs 17,21,550/- (Rupees Seventeen Lakh Twenty One Thousand Five Hundred Fifty Only) and 27,87,140/- (Rupees Twenty Seven Lakh Eighty Seven Thousand One Hundred and Forty Only) respectively, they were reported with a delay of 0Y 2M 24D and 0Y 1M 15D respectively. In terms of Regulation 13.2 of FEMA 20R/2017-RB, The person/ entity responsible for filing the reports stipulated in Regulation 13.1 shall be liable for payment of late submission fee, as may be decided by the Reserve Bank, in consultation with the Central Government, for any delays in reporting. Since the applicant has already deposited the LSF amount, this delay has not been taken into consideration for computing the amount for compounding the contraventions.

- 5 The applicant was given an opportunity for personal hearing, for further submission in person and/or for producing documents, if any, in support of the application vide e-mail dated February 11, 2019. The applicant appeared for personal hearing on February 14, 2019, during which Shri Navin Gupta (Consultant), represented the applicant in the cabin of Shri J.K. Pandey, Chief General Manager, Mumbai Regional Office. The representative of the applicant admitted the contraventions for which compounding has been sought. During the hearing it was submitted that delay was inadvertent and unintentional. The representative of the applicant requested that in view of the foregoing a lenient view may be taken 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 as other documents and submissions made in this context by the applicant during personal hearing and thereafter.
- 6 I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing and thereafter. 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 and/ or Regulation 13.1 (1) of Notification No. FEMA 20R/2017-RB due to the delay in reporting of receipt of foreign inward remittance towards subscription towards shares as detailed above. The contravention relates to total amount of Rs.32,097,750 (Rupees Three Crore Twenty Lakh Ninety Seven Thousand Seven Hundred Fifty and Zero Paise Only) and with a delay ranging from minimum 0Y 0M 7D to maximum 0Y 6M 13D approximately



- b) Paragraph 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB and/ or Regulation 13.1 (2) of Notification No FEMA 20R/2017-RB, due to the 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 total amount of Rs.34,911,170 (Rupees Three Crore Forty Nine Lakh Eleven Thousand One Hundred Seventy and Zero Paise Only) and with a delay ranging from minimum 0Y 0M 9D to maximum 0Y 10M 18D approximately
- 7 It has been declared in the compounding application dated September 17, 2018 that the particulars given by the applicant in the application are true and correct to the best of their/his/her knowledge and belief. It has also been declared in a declaration attached to 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/him/her 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.
- 8 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 Rs.48,125 (Rupees Forty Eight Thousand One Hundred Twenty Five and Zero Paise Only) will meet the ends of justice.
- 9 Accordingly, I compound the admitted contravention/s namely, the contravention/s of Para 9 (1) (A) under Schedule 1 and/or Regulation 13.1 (1) and Para 9 (1) (B) under Schedule 1 and/or Regulation 13.1 (2) of Notification No. FEMA 20/2000-RB and/or of Notification No. FEMA 20R/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 Rs.48,125 (Rupees Forty Eight Thousand One Hundred Twenty Five and Zero Paise Only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Mumbai Regional Office, Main Building, 3rd floor, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Mumbai 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



- 10** The above order is passed only in respect of contraventions of Para 9 (1) (A) under Schedule 1 and/or Regulation 13.1 (1) and Para 9 (1) (B) under Schedule 1 and/or Regulation 13.1 (2) of Notification No. FEMA 20/2000-RB and/or Notification No. FEMA 20R/2017-RB respectively and does not restrict the right of any other authority to proceed against the Company for any other violations/contraventions noticed at any point of time.
- 11** The application is disposed of accordingly.  
Dated: February 15, 2019

**Compounding Authority**

**(J.K. Pandey)**  
**Chief General Manager**