



In the

RESERVE BANK OF INDIA
Foreign Exchange Department
11th floor, Central Office Building
Shahid Bhagat Singh Road
Mumbai - 400 001

Present

Ajay Kumar Misra
Chief General Manager

Date: April 02, 2019
C.A. BGL 333/2018

In the matter of

M/s Rhea Healthcare Private Limited
14th Floor, C Wing
Mittal Tower, MG Road
Bengaluru - 560001
(Applicant)

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

ORDER

The applicant has filed a compounding application dated October 22, 2018, received at this Office of the Reserve Bank of India, Bengaluru, on October 23, 2018, for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999, (the FEMA), and the Regulations issued there under. The contravention sought to be compounded is delay in submission of Form FC-GPR to the Reserve Bank, after issue of shares to a person resident outside India, in terms of Paragraph 9(1)(B) 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 03, 2000, and as amended from time to time (hereinafter referred to as Notification No. FEMA 20/2000-RB).



2. The relevant facts of the case are as follows: The applicant, M/s Rhea Healthcare Private Limited, was incorporated on May 14, 2008, under the Companies Act, 1956, as per the Certificate of Incorporation issued by the Registrar of Companies, Tamil Nadu. Subsequently, the registered office of the company has been shifted from the State of Tamil Nadu to the State of Karnataka, with effect from November 23, 2017, under the Companies Act, 2013, as per the Certificate of Registration of Regional Director order for change of State issued by the Registrar of Companies, Bangalore. The company is engaged in the business of constructing, establishing and managing hospitals, clinical laboratories, diagnosis centers and allied institutions for providing most advanced specialist medical and surgical treatment especially in maternal healthcare, child delivery neonatal science, pregnancy, parental and gynecological need including mother and child care needs. The applicant had received funds towards share application money from the foreign investors, namely, M/s Peepul Capital Fund III LLC, Mauritius, M/s TGP Growth III SF Pte Limited, Singapore, and M/s Oikos Asia Healthcare Limited, Hong Kong, as shown below:

Table -1

Sl. No	Date of receipt	Amount (INR)	Date of Reporting to RBI/AD
1	26-03-2013	10,82,40,000.00	18-04-2013
2	15-04-2013	24,27,58,083.71	10-05-2013
3	05-02-2014	24,99,99,851.00	18-02-2014
4	03-06-2014	24,89,97,352.30	18-06-2014
5	15-07-2016	121,23,68,200.00	23-07-2016
	Total	206,23,63,487.01	

3. The applicant company had allotted equity shares and filed form FC-GPRs with Reserve Bank/AD Bank as indicated below:



Table-2

Sl. No.	Date of Allotment	Number of Equity shares/ CCPS allotted	Amount (INR)	Date of reporting to RBI/AD Bank
1	03-05-2013	400541 Equity	35,09,98,083.71	10-05-2013
2	27-02-2014	285287 Equity	24,99,99,850.97	21-03-2014
3	03-06-2014	284143 Equity	24,89,97,352.33	16-07-2014
4	15-07-2016	2032340 Equity & 182704 CCPS	121,23,68,258.86	16-08-2016
	Total		206,23,63,545.87	

The applicant filed the Form FC-GPRs, on allotment of shares, with the Bengaluru Regional Office of the Reserve Bank of India / Authorized Dealer Bank, with a delay ranging from two days to thirteen days, beyond the prescribed period of 30 days, in respect of the allotments as indicated at serial numbers 3 and 4, in the Table – 2 above. 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 in accordance with these Regulations, has to submit to Reserve Bank of India, a report in Form FC-GPR, along with documents prescribed therein, within 30 days from the date of issue of shares to persons resident outside India.

4. The applicant company sought to be exempted from the personal hearing with the Compounding Authority vide their email dated March 27, 2019.

It has also been declared in the compounding application dated October 22, 2018, that the particulars given by the applicant company in the application are true and correct to the best of their/his/her knowledge and belief. It has further been declared in the declaration dated October 24, 2018, that the applicant company was not under any enquiry/investigation/adjudication by any agency as on the date of the application and has, in this regard, not been informed of initiation of any such enquiry/investigation/adjudication proceedings against it/him/her thereafter. Accordingly, the above contraventions which are being compounded in this Order are subject to the veracity of the above declarations made by the applicant company 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.

The application is, therefore, being considered on the basis of the averments made in the compounding application and the documents submitted therein.

5. I have given my careful consideration to the documents on record. Accordingly, I hold that the applicant has contravened the following FEMA provision issued in terms of:

(a) Paragraph 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-RB, due to delay in submission of Form FC-GPRs to the Reserve Bank, after issue of shares to persons resident outside India as detailed in paragraph 3 above. The contravention relates to an amount of **₹146,13,65,611.19**, and the period of delay ranges from two days to thirteen days.

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 **₹34,000.00 (Rupees Thirty Four Thousand only)**, will meet the ends of justice.

7. Accordingly, I compound the admitted contravention namely, contravention of Paragraph 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-RB, by the applicant, based on the facts discussed above, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000, on payment of an amount of **₹34,000.00 (Rupees Thirty Four Thousand only)**, which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 2nd Floor, 10/3/8, Nrupathunga Road, Bengaluru – 560001, by a demand draft drawn in favour of the “Reserve Bank of India” and payable at Bengaluru, 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, the Second day of March 2019.

Sd/-

(Ajay Kumar Misra)
Chief General Manager