



In the

**Reserve Bank of India**  
10/3/8, Nrupathunga Road  
Bengaluru-560001

Present

**Shri Eugene E Karthak**  
**Regional Director**

Date: March 27, 2018

**C.A. BGL 273/2017**

In the matter of

**M/s Healthvista India Private Limited**  
69/B, 1<sup>st</sup> Cross, 1<sup>st</sup> stage  
Domlur Layout, (Next to the Domlur Post Office)  
Bengaluru - 560071  
**(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 December 07, 2017, received at this office of Reserve Bank of India, Bengaluru on December 11, 2017, for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999, (the FEMA), and the regulations issued there under. The contraventions sought to be compounded are, (i) delay in reporting receipt of foreign inward remittances towards subscription to equity, (ii) refund of excess share application money to the foreign investors, beyond the prescribed period of 180 days from the date receipt of the inward remittances, and (iii) delay in submission of Form FC-GPRs to the Reserve Bank, after issue of shares to a person resident outside India, in terms of paragraphs 9(1)(A), 8 and 9(1)(B), respectively, 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: M/s Healthvista India Private Limited, was incorporated on May 25, 2013, under the Companies Act, 1956. The company is engaged in the business of providing healthcare services to patients at their home including nursing, lab services, consultation, post-operative care procedures and renting of medical equipments. The applicant had received funds towards share application money from the foreign investors, namely, M/s Cyperales VL LLC, USA , M/s Aneja Schmidt & Co. LLC, USA, M/s Accel India III (Mauritius) Ltd, Mauritius, M/s Ventureast Life Fund III LLC, Mauritius, M/s Qualcomm Asia Pacific Pte Ltd, Singapore, M/s Accel Growth III Holding (Mauritius) Ltd, Mauritius, M/s International Finance Corporation Pennsylvania, USA, M/s. Accel India V (Mauritius) Ltd, Mauritius, M/s. MEMG CDC Ventures, Mauritius, and Qualcomm Asia Pacific Pte Ltd, USA, as shown below:

**Table – 1**

<b>Sl. No</b>	<b>Date of Receipt</b>	<b>Amount (INR)</b>	<b>Date of Reporting to RBI /AD</b>
1	12-11-2013	3,54,200.00	25-11-2013
2	12-11-2013	3,54,200.00	25-11-2013
3	29-11-2013	2400,00,000.00	04-01-2014
4	04-12-2013	1462,00,000.00	17-05-2014
5	09-07-2014	449,99,943.06	13-08-2014
6	13-02-2015	918,75,000.00	23-02-2015
7	06-02-2015	1837,50,000.00	03-03-2015
8	27-02-2015	614,82,750.00	08-12-2015
9	10-09-2015	1319,97,662.40	05-10-2015
10	18-09-2015	445,45,930.80	08-10-2015
11	11-09-2015	989,98,247.04	05-10-2015
12	10-09-2015	13199,98,492.40	05-10-2015
13	14-09-2015	4619,97,285.50	09-10-2015
14	17-11-2017	32,47,24,890 .30	28-11-2017
15	17-11-2017	32,47,24,890 .32	28-11-2017
16	17-11-2017	45,46,14,846.42	16-12-2017
17	20-11-2017	9,09,21,260.88	12-12-2017
18	28-11-2017	8,80,12,703.07	20-12-2017
	<b>Total</b>	<b>410,95,52,302.19</b>	



The applicant reported receipt of remittances to the Reserve Bank of India / Authorized Dealer Bank, with a delay ranging from five days to eight months and nine days approximately, beyond the stipulated period of 30 days in respect of remittances as indicated at serial numbers 3, 4, 5 and 8, in the Table-1 above. Whereas, in terms of paragraph 9(1) (A) of Schedule I 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.

3. The company had allotted equity shares to the foreign investors, in terms of paragraph 8 of Schedule 1 to Notification No. FEMA.20/2000 RB dated May 03, 2000. However, in the instances mentioned here below, the company had not refunded the excess share application money to the foreign investors, within the stipulated time of 180 days.

(i) The company had received an inward remittance of **Rs.3,54,200.00**, on November 12, 2013, from the foreign investor, M/s Cyperales VL LLC, USA, and the company had allotted 61,652 CCPS worth **Rs.3,32,920.80**. The excess share application money of **Rs.21,279.20**, was refunded with a delay beyond the stipulated period, on May 29, 2014, to the non-resident investor, without prior approval of Reserve Bank of India. The amount of contravention is **Rs.21,279.20**, and the period of delay is eighteen days approximately;

(ii) The company had received an inward remittance of **Rs.3,54,200.00**, on November 12, 2013, from the foreign investor, M/s Aneja Schmidt & Co. LLC, USA, and the company had allotted 61,652 CCPS worth **Rs.3,32,920.80**. The excess share application money of **Rs.21,279.20**, was refunded with a delay beyond the stipulated period, on May 29, 2014, to the non-resident investor, without prior approval of Reserve Bank of India. The amount of contravention is **Rs.21,279.20**, and the period of delay is eighteen days approximately; and

(iii) The company had received an inward remittance of **Rs.14,62,00,000.00**, on December 04, 2013, from the foreign investor M/s. Ventureast Life Fund III



LLC, Mauritius, and the company had allotted 50 Equity shares and 96,733 CCPS worth **Rs.14,61,82,978.86**. The excess share application money of **Rs.17,021.14**, was refunded with a delay beyond the stipulated period, on August 19, 2014, to the non-resident investor, without prior approval of Reserve Bank of India. The amount of contravention is **Rs.17,021.14**, and the period of delay is two months and seventeen days approximately.

In terms of paragraph 8 of Schedule 1 to Notification No. FEMA 20/2000- RB, dated May 3, 2000, as amended from time to time, read with A.P. (DIR Series) Circular No. 20 dated December 14, 2007, the shares have to be issued/amount should be refunded within 180 days from the date of receipt of inward remittance. The total amount of contravention is **Rs.59,579.54**, and the period of delay ranges from eighteen days to two months and seventeen days approximately.

4. The applicant company had allotted equity shares to the foreign investors and filed Form FC-GPRs with Reserve Bank/AD Bank as indicated below:

**Table – 2**

Sl. No.	Date of Allotment	Amount (INR)	Date of reporting to RBI/AD
1	12-11-2013	3,32,920.80	30-05-2014
2	12-11-2013	3,32,920.80	30-05-2014
3	29-01-2014	23,99,99,696.32	30-05-2014
4	29-01-2014	14,61,82,978.86	08-07-2014
5	14-07-2014	4,49,99,943.06	10-10-2014
6	05-03-2015	9,18,74,317.34	04-12-2015
7	05-03-2015	18,37,48,634.68	04-12-2015
8	05-03-2015	6,14,81,646.10	08-12-2015
9	24-09-2015	13,19,97,662.40	20-10-2015
10	24-09-2015	4,45,45,930.80	20-10-2015
11	24-09-2015	9,89,98,247.04	20-10-2015
12	24-09-2015	131,99,98,492.40	20-10-2015
13	24-09-2015	46,19,97,285.50	20-10-2015
	<b>Total</b>	<b>282,64,90,676.10</b>	

The applicant had filed 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 one month and twenty seven days to eight months and four days approximately, beyond the prescribed period of 30 days in respect of allotment of shares as indicated at serial numbers 1 to 8, 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 the 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 person/s resident outside India.

5. The applicant was given an opportunity for personal hearing, vide Reserve Bank's letter FE.BG.FID (CEFA) No. 3631/22.08.881/2017-18 dated March 23, 2018, for further submission in person, and/or producing documents, if any, in support of the application. The applicant's authorized representatives, Mr. K M Aswin Kumar, Chief Financial Officer, and Mr. Vasant Bhat, Company Secretary, who appeared for the personal hearing on March 27, 2018, admitted the contraventions as stated in paragraphs 2, 3 and 4 above, committed by the applicant, for which compounding has been sought. During the personal hearing, it was submitted that the delay was not willful or with malafide intention, but was mainly due to inadvertence, and the same would not be repeated. In view of the above, they 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 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 submission made by the applicant during the personal hearing. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:

- (i) Paragraph 9 (1) (A) of Schedule I to Notification No. FEMA 20/2000-RB, due to delay in reporting of foreign inward remittances received towards subscription to equity as detailed in paragraph 2 above. The contravention



relates to an amount of **Rs.49,26,82,693.06**, and the period of delay ranges from five days to eight months and nine days approximately;

(ii) Paragraph 8 of Schedule 1 to Notification No. FEMA 20/2000-RB, as the applicant had refunded the excess share application money to the foreign investors, beyond the stipulated period of 180 days from the date of receipt of inward remittance, as detailed in paragraph 3 above. The contravention relates to an amount of **Rs.59,579.54**, and the period of delay ranges from eighteen days to two months and seventeen days approximately; and

(iii) 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 person resident outside India, as detailed in paragraph 4 above. The contravention relates to an amount of **Rs.76,89,53,057.96**, and the period of delay ranges from one month and twenty seven days to eight months and four days approximately.

7. It has been declared in the compounding application dated December 07, 2017, 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 undertaking dated December 07, 2017, 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.



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.3,34,780.00 (Rupees Three Lakh Thirty Four Thousand Seven Hundred and Eighty only)**, will meet the ends of justice.

9. Accordingly, I compound the admitted contraventions namely, contraventions of Paragraphs 9(1)(A), 8 and 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-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.3,34,780.00 (Rupees Three Lakh Thirty Four Thousand Seven Hundred and Eighty only)**, which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 2<sup>nd</sup> 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 Twenty Seventh day of March, 2018.

Sd/-

**(Eugene E Karthak)**  
**Regional Director**