



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

Date: November 05, 2018

C.A. No. 788/2018

In the matter of

RxHeal Commerce Private Limited
Ground Floor, & 1, Seaface House
Plot 99, Walkeshwar Road
Malabar Hill
Mumbai – 400 006

(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 August 16, 2018 (received at the Reserve Bank of India on August 20, 2018) for compounding of contraventions of the provision of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. 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 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 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 company was originally incorporated on March 05, 2015, under the Companies Act, 2013 as RxHeal Commerce Private Limited. Its main activities are to build, develop and operate the technology, marketing, logistics and operations for e-commerce and retail sales and distribution of pharmaceuticals and general consumer merchandise.

3. The company allotted equity shares/preference shares/convertible preference shares and filed FC-GPR as indicated below:

Sr. No.	No. of shares	FV in INR	Premium in INR	Amount in INR	Date of allotment	Date of filing	Delay
1	3532	10	3008.88	1,06,62,684.16	25-08-2016	20-04-2017	06M 24D
2	2279	10	3008.88	68,80,027.52	25-08-2016	05-05-2017	07M 11D
			Total	1,75,42,711.68			

The applicant filed form FC-GPR as indicated at serial No. 1 & 2 above with a delay ranging from 06 Months 24 Days to 07 Months 11 Days, approximately. 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 FC-GPR along with documents prescribed therein within 30 days from the date of issue of shares to person resident outside India.

4. The applicant was given an opportunity for personal hearing vide e-mail dated October 30, 2018, for further submission in person and/or producing documents, if any, in support of the application. The applicant appeared for the personal hearing on October 31, 2018, during which Shri Rahul Parekh, Director and Ms Jagruti Rawal, Practicing Company Secretary, represented the applicant in the cabin of Shri J. K. Pandey, Chief General Manager, Mumbai Regional Office. The representatives of the applicant admitted the contraventions for which compounding has been sought. During the personal hearing, it was submitted that the delay was inadvertent and unintentional. They requested that in view thereof, the matter may



be viewed leniently. 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 submitted along with the application.

5. 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 provision issued in terms of:

(a) Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in submission of Form FC-GPR to the Reserve Bank of India after issue of shares to persons resident outside India and the contravention relates to an amount of Rs.1,75,42,711.68 (Rupees One Crore Seventy Five Lakh Forty Two Thousand Seven Hundred Eleven and Sixty Eight Paisa Only) and the delay ranging from 06 Months 24 Days to 07 Months 11 Days, approximately.

6. It has been declared in the compounding application dated August 16, 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 further been stated in the declaration dated August 16, 2018, 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.

7. 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



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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.43,690/- (Rupees Forty Three Thousand Six Hundred Ninety Only) will meet the ends of justice.

8. Accordingly, I compound the admitted contravention namely, the contravention of paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB by the applicant as stated above on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of Rs.43,690/- (Rupees Forty Three Thousand Six Hundred Ninety 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.

9. The above order is passed only in respect of contravention 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB 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.

The application is disposed of accordingly.

Dated: November 05, 2018.

Compounding Authority

Sd/-
(J. K. Pandey)
Chief General Manager