



In the

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

Present

Shri. Subrata Das
Regional Director (Andhra Pradesh and Telangana) and
Chief General Manager (Hyderabad)

Date: June 21, 2019
C.A. HYD 419

In the matter of

M/s. Cyberabad Citizens Health Services Private Limited
Door No.1-100/1/CCH, Nallagandla Village
Serilingampally Mandal, Hyderabad – 500 019

(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 there under, I pass the following

Order

The applicant has submitted the compounding application dated March 6, 2019 received by us on March 22, 2019 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued there under. The contraventions sought to be compounded are (i) delay in reporting of receipt of foreign inward remittances towards subscription of equity and (ii) delay in submission of Form FCGPR to the Reserve Bank after issue of shares to a person resident outside India in terms of Paragraph 9(1)(A) and 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



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Notification No. FEMA. 20/2000-RB dated 3rd May 2000 and as amended from time to time (herein after referred to as Notification No. FEMA 20/2000-RB).

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

- a) The applicant is a resident company incorporated as Private Limited Company under the Companies Act, 1956 on April 15, 2008 (CIN: U85110TG2008PTC058679). The company is engaged in the business of "Hospital activities".
- b) The applicant had received foreign inward remittances from the following foreign investors as indicated below:

| S No | Name of Remitter | Date of inward remittance | Amount of remittance (Rs) | Date of reporting |
|-------------|---------------------------------|----------------------------------|----------------------------------|--------------------------|
| 1 | Srinivasa Raju & Vani Budharaju | 31.01.2011 | 11,00,411 | 25.02.2011 |
| 2 | Satyanarayana Nadella | 01.02.2011 | 1,11,78,249 | 25.02.2011 |
| 3 | Vijayalakshmi Budharaju | 10.02.2011 | 10,87,625 | 25.02.2011 |
| 4 | Lakshmi Kanumuri | 25.02.2011 | 33,64,030 | 25.03.2011 |
| 5 | Raju V Kanumuri | 25.02.2011 | 33,64,030 | 25.03.2011 |
| 6 | Raju V Kanumuri | 21.03.2011 | 33,70,761 | 26.04.2011 |
| 7 | Lakshmi Kanumuri | 02.08.2011 | 34,28,100 | 29.08.2011 |
| 8 | CTSI (Mauritius), Ltd | 06.11.2012 | 7,65,00,000 | 04.12.2012 |
| 9 | Aarush Raju Manthena | 27.02.2013 | 30,00,000 | 08.04.2013 |
| 10 | Ishya Raju Manthena | 27.02.2013 | 30,00,000 | 08.04.2013 |
| 11 | Aadhya Raju Penmecha | 27.02.2013 | 30,00,000 | 08.04.2013 |
| 12 | Aanya Raju Penmecha | 27.02.2013 | 40,00,000 | 08.04.2013 |
| 13 | Smitha Rudraraju Raju | 20.03.2013 | 50,00,000 | 08.04.2013 |
| 14 | Rudraraju Sruthi Raju | 20.03.2013 | 50,00,000 | 08.04.2013 |
| 15 | Smitha Rudraraju Raju | 08.06.2013 | 25,00,000 | 12.07.2013 |



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|----|------------------------------------------|------------|--------------|------------|
| 16 | Smitha Rudraraju Raju | 22.06.2013 | 15,00,000 | 12.07.2013 |
| 17 | CTSI (Mauritius), Ltd | 30.09.2013 | 4,38,90,809 | 22.10.2013 |
| 18 | CTSI (Mauritius), Ltd | 11.10.2013 | 1,21,90,586 | 22.10.2013 |
| 19 | CTSI (Mauritius), Ltd | 01.11.2013 | 1,54,29,699 | 16.11.2013 |
| 20 | CTSI (Mauritius), Ltd | 29.11.2013 | 1,86,99,253 | 16.12.2013 |
| 21 | CTSI (Mauritius), Ltd | 30.12.2013 | 3,70,86,264 | 20.01.2014 |
| 22 | CTSI (Mauritius), Ltd | 31.01.2014 | 3,12,23,751 | 26.02.2014 |
| 23 | CTSI (Mauritius), Ltd | 03.03.2014 | 1,85,40,264 | 25.03.2014 |
| 24 | CTSI (Mauritius), Ltd | 28.03.2014 | 2,98,31,307 | 24.04.2014 |
| 25 | CTSI (Mauritius), Ltd | 25.04.2014 | 1,51,38,164 | 20.05.2014 |
| 26 | Radhika Chalasani | 21.05.2014 | 99,70,030 | 11.06.2014 |
| 27 | CTSI (Mauritius), Ltd | 30.06.2014 | 1,49,96,950 | 30.07.2014 |
| 28 | Rudraraju Sruthi Raju | 30.06.2014 | 60,00,000 | 28.07.2014 |
| 29 | Smitha Rudraraju Raju | 02.07.2014 | 60,00,000 | 28.07.2014 |
| 30 | Somaraju Penimatsa | 21.07.2014 | 50,47,618 | 20.08.2014 |
| 31 | CTSI (Mauritius), Ltd | 05.08.2014 | 1,51,74,429 | 27.08.2014 |
| 32 | CTSI (Mauritius), Ltd | 25.08.2014 | 1,20,61,190 | 17.09.2014 |
| 33 | CTSI (Mauritius), Ltd | 02.09.2014 | 1,81,41,436 | 17.09.2014 |
| 34 | Rudraraju Sruthi Raju | 26.09.2014 | 91,00,000 | 24.10.2014 |
| 35 | Smitha Rudraraju Raju | 30.09.2014 | 40,00,000 | 24.10.2014 |
| 36 | CTSI (Mauritius), Ltd | 29.10.2014 | 1,83,67,775 | 18.11.2014 |
| 37 | Kalyani Chekuri | 14.11.2014 | 64,99,993.50 | 13.12.2014 |
| 38 | Radhika Chalasani and Vijay M Kakarla | 21.11.2014 | 37,00,650 | 18.12.2014 |
| 39 | Smitha Rudraraju Raju | 25.11.2014 | 30,00,016.50 | 19.12.2014 |
| 40 | CTSI (Mauritius), Ltd | 03.12.2014 | 1,23,49,147 | 16.12.2014 |
| 41 | Vani Budharaju | 13.12.2014 | 39,05,850 | 10.01.2015 |



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|----|------------------------------------------|------------|-------------|------------|
| 42 | Vijayalakshmi Budharaju | 13.12.2014 | 39,58,500 | 10.01.2015 |
| 43 | Radhika Chalasani and Vijay M Kakarla | 15.12.2014 | 65,84,025 | 08.01.2015 |
| 44 | CTSI (Mauritius), Ltd | 31.12.2014 | 4,42,45,104 | 22.01.2015 |
| 45 | CTSI (Mauritius), Ltd | 27.01.2015 | 1,22,65,659 | 30.01.2015 |
| 46 | CTSI (Mauritius), Ltd | 02.02.2015 | 1,23,51,500 | 12.02.2015 |
| 47 | CTSI (Mauritius), Ltd | 06.02.2015 | 1,23,19,652 | 12.02.2015 |
| 48 | CTSI (Mauritius), Ltd | 09.03.2015 | 1,56,41,248 | 26.03.2015 |
| 49 | Rudraraju Sruthi Raju | 13.03.2015 | 55,00,000 | 11.04.2015 |
| 50 | Smitha Rudraraju Raju | 20.03.2015 | 49,99,995 | 11.04.2015 |
| 51 | Rudraraju Panduranga Raju | 31.03.2015 | 6,23,04,502 | 24.04.2015 |
| 52 | CTSI (Mauritius), Ltd | 05.05.2015 | 2,53,47,099 | 15.05.2015 |
| 53 | CTSI (Mauritius), Ltd | 03.06.2015 | 1,27,74,583 | 09.06.2015 |
| 54 | CTSI (Mauritius), Ltd | 08.06.2015 | 96,04,079 | 09.06.2015 |
| 55 | CTSI (Mauritius), Ltd | 25.06.2015 | 1,58,65,596 | 07.07.2015 |
| 56 | CTSI (Mauritius), Ltd | 30.06.2015 | 2,54,38,092 | 07.07.2015 |
| 57 | CTSI (Mauritius), Ltd | 31.07.2015 | 63,94,081 | 17.08.2015 |
| 58 | CTSI (Mauritius), Ltd | 20.08.2015 | 65,23,695 | 10.09.2015 |
| 59 | CTSI (Mauritius), Ltd | 01.09.2015 | 82,65,516 | 10.09.2015 |
| 60 | CTSI (Mauritius), Ltd | 03.09.2015 | 99,09,643 | 10.09.2015 |
| 61 | CTSI (Mauritius), Ltd | 09.09.2015 | 1,15,87,176 | 01.10.2015 |
| 62 | CTSI (Mauritius), Ltd | 30.09.2015 | 85,27,338 | 21.10.2015 |
| 63 | CTSI (Mauritius), Ltd | 01.10.2015 | 39,24,192 | 21.10.2015 |
| 64 | CTSI (Mauritius), Ltd | 23.10.2015 | 64,78,454 | 03.11.2015 |
| 65 | CTSI (Mauritius), Ltd | 02.11.2015 | 1,63,45,567 | 17.11.2015 |
| 66 | CTSI (Mauritius), Ltd | 30.11.2015 | 99,91,293 | 15.12.2015 |



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| 67 | CTSI (Mauritius), Ltd | 07.12.2015 | 99,82,669 | 30.12.2015 |
| 68 | CTSI (Mauritius), Ltd | 29.12.2015 | 2,98,26,924 | 30.12.2015 |
| 69 | CTSI (Mauritius), Ltd | 06.01.2016 | 66,56,169 | 27.01.2016 |
| 70 | CTSI (Mauritius), Ltd | 29.01.2016 | 67,80,394 | 24.02.2016 |
| 71 | CTSI (Mauritius), Ltd | 04.02.2016 | 1,35,43,646 | 25.02.2016 |
| 72 | CTSI (Mauritius), Ltd | 26.02.2016 | 85,74,253 | 07.03.2016 |
| 73 | CTSI (Mauritius), Ltd | 01.03.2016 | 68,15,137 | 16.03.2016 |
| 74 | CTSI (Mauritius), Ltd | 08.03.2016 | 50,44,280 | 25.03.2016 |
| 75 | CTSI (Mauritius), Ltd | 05.05.2016 | 19,91,98,672 | 01.06.2016 |
| Total | | | 1,14,43,07,121 | |

The applicant reported receipt of remittances towards share subscription amounting to ₹ 1,14,43,07,121/- to the Regional Office of Reserve Bank of India, out of which remittance amounting to ₹ 1,88,70,761/- were reported with delays ranging from 4 days to 9 days approximately beyond the prescribed limit. 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 company allotted equity shares and filed form FC-GPRs as indicated below:

| S. No | Name of Investor | Date of allotment of shares /CCDs | No of shares allotted | Amount for which shares allotted (INR) | Date of reporting to AD / RBI |
|-------|-----------------------|-----------------------------------|-----------------------|----------------------------------------|-------------------------------|
| 1 | Vani Budharaju | 04.07.2011 | 56,431 | 11,00,404.50 | 18.07.2011 |
| | Satyanarayana Nadella | | 5,73,243 | 1,11,78,238.50 | |



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|----|-------------------------|------------|-----------|-----------------|------------|
| | Vijayalakshmi Budharaju | | 55,775 | 10,87,612.50 | |
| | Lakshmi Kanumuri | | 1,72,514 | 33,64,023 | |
| | Raju V Kanumuri | | 3,45,373 | 67,34,773.50 | |
| 2 | Lakshmi Kanumuri | 26.12.2011 | 1,75,800 | 34,28,100 | 11.01.2012 |
| 3 | CTSI (Mauritius), Ltd | 18.03.2013 | 76,50,000 | 7,65,00,000 | 25.03.2013 |
| 4 | Aarush Raju Manthena | 09.07.2013 | 1,53,846 | 29,99,997 | 07.08.2013 |
| | Ishya Raju Manthena | | 1,53,846 | 29,99,997 | |
| | Aadhya Raju Penmecha | | 1,53,846 | 29,99,997 | |
| | Aanya Raju Penmecha | | 2,05,128 | 39,99,996 | |
| | Smitha Rudraraju Raju | | 2,56,410 | 49,99,995 | |
| | Rudraraju Sruthi Raju | | 2,56,410 | 49,99,995 | |
| 5 | Smitha Rudraraju Raju | 20.11.2013 | 2,05,128 | 39,99,996 | 19.12.2013 |
| 6 | CTSI (Mauritius), Ltd | 03.02.2014 | 46,26,171 | 9,02,10,334.50 | 01.03.2014 |
| 7 | CTSI (Mauritius), Ltd | 30.05.2014 | 67,59,987 | 13,18,19,746.50 | 28.06.2014 |
| | Radhika Chalasani | | 5,11,283 | 99,70,018.50 | |
| 8 | CTSI (Mauritius), Ltd | 30.06.2014 | 7,69,074 | 1,49,96,943 | 01.08.2014 |
| | Rudraraju Sruthi Raju | | 3,07,692 | 59,99,994 | |
| 9 | Smitha Rudraraju Raju | 03.07.2014 | 3,07,692 | 59,99,994 | 06.08.2014 |
| 10 | Somaraju Penimatsa | 01.08.2014 | 2,58,852 | 50,47,614 | 28.08.2014 |
| 11 | CTSI (Mauritius), Ltd | 05.08.2014 | 7,78,175 | 1,51,74,412.50 | 03.09.2014 |
| 12 | CTSI (Mauritius), Ltd | 27.08.2014 | 6,18,522 | 1,20,61,179 | 28.09.2014 |
| 13 | CTSI (Mauritius), Ltd | 03.09.2014 | 9,30,330 | 1,81,41,435 | 01.10.2014 |
| 14 | Rudraraju Sruthi Raju | 01.10.2014 | 4,66,666 | 90,99,987 | 28.10.2014 |
| | Smitha Rudraraju Raju | | 2,05,128 | 39,99,996 | |
| 15 | CTSI (Mauritius), Ltd | 03.11.2014 | 9,41,937 | 1,83,67,771.50 | 01.12.2014 |
| 16 | Kalyani Chekuri | 15.11.2014 | 3,33,333 | 64,99,993.50 | 15.12.2014 |
| 17 | Radhika Chalasani | 25.11.2014 | 1,89,776 | 37,00,632 | 24.12.2014 |



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|----|---------------------------|------------|-----------|----------------|------------|
| | Smitha Rudraraju Raju | | 1,53,847 | 30,00,016.50 | |
| 18 | CTSI (Mauritius), Ltd | 04.12.2014 | 6,33,289 | 1,23,49,135.50 | 03.01.2015 |
| 19 | Vani Budharaju | 15.12.2014 | 2,00,300 | 39,05,850 | 13.01.2015 |
| | Vijayalakshmi Budharaju | | 2,03,000 | 39,58,500 | |
| | Radhika Chalasani | | 3,37,642 | 65,84,019 | |
| 20 | CTSI (Mauritius), Ltd | 31.12.2014 | 22,68,979 | 4,42,45,090.50 | 30.01.2015 |
| 21 | CTSI (Mauritius), Ltd | 31.01.2015 | 6,29,008 | 1,22,65,656 | 01.03.2015 |
| 22 | CTSI (Mauritius), Ltd | 06.02.2015 | 12,65,187 | 2,46,71,146.50 | 04.03.2015 |
| 23 | CTSI (Mauritius), Ltd | 09.03.2015 | 8,02,115 | 1,56,41,242.50 | 07.04.2015 |
| 24 | Rudraraju Sruthi Raju | 14.03.2015 | 2,82,051 | 54,99,994.50 | 11.04.2015 |
| 25 | Smitha Rudraraju Raju | 20.03.2015 | 2,56,410 | 49,99,995 | 16.04.2015 |
| 26 | Rudraraju Panduranga Raju | 31.03.2015 | 62,30,450 | 6,23,04,500 | 29.04.2015 |
| 27 | CTSI (Mauritius), Ltd | 06.05.2015 | 12,99,851 | 2,53,47,094.50 | 05.06.2015 |
| 28 | CTSI (Mauritius), Ltd | 05.06.2015 | 6,55,106 | 1,27,74,567 | 02.07.2015 |
| 29 | CTSI (Mauritius), Ltd | 10.06.2015 | 4,92,516 | 96,04,062 | 02.07.2015 |
| 30 | CTSI (Mauritius), Ltd | 30.06.2015 | 21,18,137 | 4,13,03,671.50 | 27.07.2015 |
| 31 | CTSI (Mauritius), Ltd | 01.08.2015 | 3,27,901 | 63,94,069.50 | 29.08.2015 |
| 32 | CTSI (Mauritius), Ltd | 21.08.2015 | 3,34,548 | 65,23,686 | 19.09.2015 |
| 33 | CTSI (Mauritius), Ltd | 04.09.2015 | 9,32,059 | 1,81,75,150.50 | 01.10.2015 |
| 34 | CTSI (Mauritius), Ltd | 10.09.2015 | 5,94,214 | 1,15,87,173 | 08.10.2015 |
| 35 | CTSI (Mauritius), Ltd | 30.09.2015 | 4,37,299 | 85,27,330.50 | 23.10.2015 |
| 36 | CTSI (Mauritius), Ltd | 03.10.2015 | 2,01,240 | 39,24,180 | 28.10.2015 |
| 37 | CTSI (Mauritius), Ltd | 24.10.2015 | 3,32,228 | 64,78,446 | 20.11.2015 |
| 38 | CTSI (Mauritius), Ltd | 03.11.2015 | 8,38,234 | 1,63,45,563 | 30.11.2015 |
| 39 | CTSI (Mauritius), Ltd | 01.12.2015 | 5,12,374 | 99,91,293 | 28.12.2015 |
| 40 | CTSI (Mauritius), Ltd | 07.12.2015 | 5,11,931 | 99,82,654.50 | 04.01.2016 |
| 41 | CTSI (Mauritius), Ltd | 29.12.2015 | 15,29,585 | 2,98,26,907.50 | 22.01.2016 |



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|--------------|-----------------------|------------|--------------------|-----------------------|------------|
| 42 | CTSI (Mauritius), Ltd | 07.01.2016 | 3,41,342 | 66,56,169 | 04.02.2016 |
| 43 | CTSI (Mauritius), Ltd | 29.01.2016 | 3,47,712 | 67,80,384 | 27.02.2016 |
| 44 | CTSI (Mauritius), Ltd | 04.02.2016 | 6,94,545 | 1,35,43,627.50 | 29.02.2016 |
| 45 | CTSI (Mauritius), Ltd | 29.02.2016 | 4,39,705 | 8574247.50 | 18.03.2016 |
| 46 | CTSI (Mauritius), Ltd | 02.03.2016 | 3,49,494 | 6815133 | 18.03.2016 |
| 47 | CTSI (Mauritius), Ltd | 10.03.2016 | 2,58,681 | 50,44,279.50 | 08.04.2016 |
| 48 | CTSI (Mauritius), Ltd | 05.05.2016 | 1,95,00,000 | 19,50,00,000 | 02.06.2016 |
| Total | | | 7,47,29,348 | 1,14,01,08,011 | |

The applicant filed form FCGPRs for the allotment of shares amounting to ₹ 1,14,01,08,011/-, out of which shares amounting to ₹ 3,90,58,110/- were reported with delays ranging from 2 days to 4 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.

3. The applicant vide letter dated June 17, 2019 stated that they are foregoing appearing for the personal hearing and requested that the compounding application may be disposed of on the basis of merits in terms of the facts/submission made therein along with the compounding 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 **₹ 1, 88, 70,761/-** and the delay ranges from 4 days to 9 days approximately.

(b) Paragraph 9(1)(B) of Schedule 1 to Notification No. 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 **₹ 3,90,58,110/-** and the delay ranges from 2 days to 4 days approximately.

5. It has been declared in the compounding application dated March 06, 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 May 31, 2019 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 **₹ 30,120/- (Rupees Thirty Thousand One Hundred Twenty Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9(1)(A) and Paragraph 9(1)(B) of Schedule 1 to Notification No. FEMA-



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20/2000-RB and by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount **₹ 30,120/- (Rupees Thirty Thousand One Hundred Twenty 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 accordingly.

Dated this 21st day of June 2019

Sd/-
(Subrata Das)
Regional Director (Andhra Pradesh and Telangana) and
Chief General Manager (Hyderabad)