



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: February 15, 2019  
**C.A. HYD 371**

In the matter of

**M/s Patient Focus Pvt Ltd**  
Ventureast Plaza, Plot No. 40 & 41, Sy.No.115/1  
Financial District, Nanakramguda  
Gachibowli Post, Hyderabad, TG- 500032

**(Applicant)**

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

**Order**

The applicant has filed the compounding application dated November 30, 2018 received on December 11, 2018 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are (i) delay in reporting receipt of foreign inward remittances (ii) delay in submission of Form FC-GPR to Reserve Bank of India and (ii) taking on record of transfer of shares from resident to non-resident without certified form FCTRS from AD Bank in terms of Paragraph 9(1) (A), Paragraph 9(1) (B) of Schedule 1 and Regulation 4 respectively



Compounding of contraventions under FEMA 1999  
M/s Patient Focus Private Limited  
CA No. HYD 371

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 (hereinafter referred to as Notification No. FEMA 20/2000-RB) as then applicable.

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

- a) The applicant is a resident company incorporated as Private Limited Company under the Companies Act, 2013 on 10.12.2015 (CIN: U93000TG2015PTC102156). The company is engaged in the business of hospital activities.
- b) The applicant had received foreign inward remittance from foreign investors towards allotment of equity shares as indicated below.

Sl no	Name of the Remitter	Total Amount (INR)	Date of Receipt	Date of Reporting
1	ARC Enterprises Group LLC	6722.00	05.02.2016	05.04.2017
2	Raghu Nath Bathina	91,050.00	18.02.2016	16.03.2016
3		5,260.00	29.03.2016	05.04.2017
4		32,97,857.00	06.06.2016	14.06.2016
5	FIL Capital Investments (Mauritius) II Ltd	1,97,95,844.25	23.06.2016	02.02.2017
	<b>Total</b>	<b>2,31,96,733.25</b>		

The applicant received the foreign inward remittance of ₹ 2,31,96,733.25 as indicated above and out of which remittances amounting to ₹ 1,98,07,826.25 were reported with delays ranging from 6 months 10 days to 1 year 1 month approximately as indicated above. 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



Compounding of contraventions under FEMA 1999  
M/s Patient Focus Private Limited  
CA No. HYD 371

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 shares and filed form FC-GPR as indicated below:

SI No	Name of investor	Date of allotment of shares	Number of shares allotted	Amount for which shares allotted (INR)	Date of reporting to AD or RBI
1	Raghu Nath Bathina	22.02.2016	9105	91,050.00	11.05.2016
2		30.03.2016	526	5,260.00	30.06.2016
3		14.06.2016	379 CCPs	32,97,857.00	09.08.2016
4	FIL Capital Investments (Mauritius) II Ltd	23.06.2016	2265 CCPs	1,97,08,829.55	31.01.2017
5			10	87,014.70	
			<b>Total</b>	<b>2,31,90,011.25</b>	

The applicant filed form FCGPRs for issue of shares amounting to ₹ **2,31,90,011.25** as indicated above and all the allotments were reported with the delays ranging from 26 days to 6 months 8 days approximately as indicated above. 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 of India 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.

d) Company has refunded the un-allotted share application money of INR 6722/- , received on 05.02.2016 from ARC Enterprises Group LLC, on 20.04.2016



Compounding of contraventions under FEMA 1999  
M/s Patient Focus Private Limited  
CA No. HYD 371

within the prescribed period of 180 days from the date of receipt of inward remittance in terms of paragraph 8 of Schedule 1 to Notification No.FEMA 20/2000-RB dated May 03, 2000.

- e) The applicant company has effected transfer of shares between non-resident investor and resident investors without certified from FCTRS:

Name of the transferor	Name of the transferee	No. of shares transferred	Amount of consideration INR	Date of taking the transfer on record	Date of AD's certification
Raghu Nath Bathina	Koppala Rajah Vikramaditya	2231	22310.00	22.02.2016	02.11.2018
	B N Prasad	50	500.00		
	Penmetcha Krishnam Raju	50	500.00		
	A Raja Gopala Raju	100	1000.00		
	<b>Total</b>	<b>2431</b>	<b>24310.00</b>		

The company has taken the above transfer of shares amounting to Rs.24,310/- on record in their books without certified form FCTRS and the period of contravention is 2 years 8 months 11 days approximately. Whereas in terms of Regulation 4 of Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000 notified vide Notification No. FEMA 20/RB 2000 dated May 03, 2000 as amended from time to time, save as otherwise provided in the Act or Rules or Regulations made thereunder, an Indian entity shall not issue any security to a person resident outside India or shall not record in its books any transfer of security



---

from or to such person, provided that the Reserve Bank may, on an application made to it and for sufficient reasons, permit an entity to issue any security to a person resident outside India or to record in its books transfer of security from or to such person, subject to such conditions as may be considered necessary.

3. The applicant vide letter dated January 23, 2019 stated that they are foregoing appearing for the personal hearing and requested that the compounding application may be disposed off 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. 20/2000-RB for delay in reporting the receipt of consideration towards issue of shares to Reserve Bank of India and the contravention relates to an amount of ₹ **1,98,07,826.25** with the delays ranging from 6 months 10 days to 1 year 1 month 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 ₹ **2,31,90,011.25** with the delays ranging from 26 days to 6 months 8 days approximately.

(c) Regulation 4 of Notification No. 20/2000-RB for taking transfer of shares on record without certified form FCTRS from AD Bank and the contravention relates to an amount of ₹ **24,310/-** with the delay of 2 years 8 months 11 days.

5. It has been declared in the compounding application dated November 30, 2018 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 November 30, 2018 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. 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 ₹ **82,301/- (Rupees Eighty Two Thousand Three Hundred One Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9(1) (A), Paragraph 9(1) (B) of Schedule 1 and Regulation 4 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 ₹ **82,301/- (Rupees Eighty Two Thousand Three Hundred One 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.



Compounding of contraventions under FEMA 1999  
M/s Patient Focus Private Limited  
CA No. HYD 371

---

The application is disposed accordingly.

Dated this 15<sup>th</sup> day of February 2019

Sd/-

(Subrata Das)

Regional Director (Andhra Pradesh and Telangana) and  
Chief General Manager (Hyderabad)