



In the

**Reserve Bank of India**  
Foreign Exchange Department  
Fort Glacis, No.16, Rajaji Salai  
Chennai 600 001

Present

**R Kesavan**  
**Chief General Manager**

Date : January 30, 2018  
**C.A.749/2017**

In the matter of

**M/s. Ravindranath GE Medical Associates Pvt Ltd.,**  
No.439, Cheran Nagar,  
Perumbakkam,  
Chennai- 600 100

**(Applicant)**

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

### **Order**

The applicant has filed a compounding application dated December 18, 2017 (received at Reserve Bank on December 18, 2017) 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 allotment of shares to the non-resident investors in terms of Paragraph 8 of Schedule I to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident



M/s. Ravindranath GE Medical Associates Pvt Ltd. – C.A.749/2017

Outside India) Regulations, 2000 notified vide Notification No. FEMA 20/2000-RB dated May 3, 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 company was incorporated on September 24, 1998 under the provisions of the Companies Act, 1956 (Registration No. U85110TN1998PTC093106) and is engaged in business of hospital activities. The company has been earlier compounded for contraventions of Paragraphs 9(1)A, 9(1)B and Regulation 2(ii) (b) vide compounding order CA No.2936/2013 dated August 28, 2013. Subsequent to the order, the applicant received five foreign inward remittances amounting to ₹ 323,33,72,007.60 from i) M/s Worldwide Advisory PTE Ltd., Singapore ii) M/s Sea Energy Carriers Ltd., Greece iii) M/s Gleneagles Development Pte Ltd., Singapore between 05.12.2013 and 27.11.2015 towards subscription to equity shares and reported the same to the Reserve Bank within the prescribed period. Against the five remittances, the company allotted shares on four occasions amounting to ₹ 323,33,77,956.10 between 28.07.2014 and 01.12.2015 and filed the relevant FC-GPRs with Reserve Bank within the prescribed period.

3. The company allotted 303372 shares of ₹ 1000/- each on 28.07.2014 against two remittances as detailed below:

Sl. No.	Date of receipt	Amount (INR)	Date of allotment
1	05.12.2013	15,25,75,000.00	28.07.2014
2	30.12.2013	15,07,97,000.00	28.07.2014

The company allotted shares as indicated above with delay ranging from 28 days to one month 23 days approximately beyond the stipulated time of 180 days with prior approval of Reserve Bank. Whereas in terms of paragraph 8 of Schedule I to Notification No. FEMA 20/2000-RB, read with AP (Dir Series) Circular No.20 dated December 14, 2007 the shares have to be issued/amount refunded within 180 days from the date of receipt of the inward remittance.



M/s. Ravindranath GE Medical Associates Pvt Ltd. – C.A.749/2017

4. The applicant was given an opportunity for personal hearing vide Reserve Bank's mail dated January 24, 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 January 30, 2018 during which Shri P V S S Prasad, Practicing Chartered Accountant and Director, M/s Kaasyapa Consulting Pvt Ltd., represented the applicant. The authorized representative of the applicant admitted the contravention as stated in para 3 above committed by the applicant for which compounding has been sought. During the personal hearing, it was submitted that the delays were unintentional. In view of the above, they requested to take a lenient view in the matter. 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 the personal hearing.

5. It has been declared in the compounding application dated December 18, 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 declaration dated December 18, 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/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 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. I have given my careful consideration to the documents on record and submission made by the applicant in the compounding application and during the personal hearing. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:

- (a) Paragraph 8 of Schedule I to Notification No. FEMA 20/2000-RB due to delay in allotment of shares with prior approval of Reserve Bank. The contravention



M/s. Ravindranath GE Medical Associates Pvt Ltd. – C.A.749/2017

relates to an amount of ₹ 30,33,72,000/- with the duration of contravention ranging from 28 days to one month 23 days approximately.

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 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 ₹ 9,40,116/- (Rupees nine lakh forty thousand one hundred and sixteen only) will meet the ends of justice.

8. Accordingly, I compound the admitted contravention namely, the contravention of paragraph 8 of Schedule 1 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 ₹ 9,40,116/- (Rupees nine lakh forty thousand one hundred and sixteen only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Fort Glacis, No.16, Rajaji Salai, Chennai - 600 001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Chennai 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 Thirtieth day of January, 2018.

Sd/-

**R Kesavan**  
**Chief General Manager**