



In the

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

Present

Dr.K.Balu
Chief General Manager

Date : September 25, 2018
C.A.797/2018

In the matter of

M/s. Sutherland Healthcare Solutions Pvt Ltd.
(formerly M/s Apollo Health Street Ltd. & Apollo Health Street Pvt Ltd.)
No.45-A, Velachery Main Road,
Velachery,
Chennai-600 042

(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 May 21, 2018 (received at Reserve Bank on May 29, 2018) 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 of inflow of funds received from a person resident outside India for allotment of shares, and (ii) delay in submission of Form FC-GPR on allotment of shares with Reserve Bank,



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in terms of Paragraph 9 (1) A and Paragraph 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 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 October 08, 1999 under the provisions of the Companies Act, 1956 (Registration No. U85110TN1999PTC043316) and is engaged in business of other information service activities n.e.c. The applicant received foreign inward remittances from i) J Andrew Devoe and Susan Devoe, USA ii) Ravindran Krishnasamy, Singapore iii) M/s Whitepark Securities Ltd., Mauritius iv) M/s Capricorn Logistics Ltd. Mauritius v) M/s Maxwell (Mauritius Pte, Mauritius vi) Eliza Holdings, Mauritius vii) M/s Healthcare Investment Ltd.,Mauritius towards subscription to equity shares and reported the same to the Reserve Bank as detailed below:

Sl. No.	Amount of Inward Remittance in Rs.	Date of receipt	Reported to RBI on
1	1,33,95,000.00	24.07.2000	25.09.2000
2	10,02,668.00	01.12.2000	27.12.2000
3	2,02,50,100.00	19.04.2005	18.05.2005
4	16,40,24,344.00	19.04.2005	18.05.2005
5	14,29,71,210.00	11.07.2005	12.08.2005
6	7,65,41,152.00	28.07.2006	16.02.2007
7	28,13,855.00	28.07.2006	16.02.2007
8	1,33,02,360.00	26.07.2007	23.10.2007
9	77,00,000.00	08.08.2007	23.10.2007
10	77,21,32,874.00	16.08.2007	21.09.2007
11	1,68,13,799.00	17.08.2007	21.09.2007
12	60,69,00,001.00	18.07.2008	07.08.2008

The applicant reported receipt of remittances to the Reserve Bank on dates indicated above with delay ranging from five days to five months 18 days approximately beyond the prescribed period of 30 days in respect of remittances at Sl.Nos.1 and 6 to 11. 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 allotted equity shares and filed FC-GPRs as indicated below:

Sl. No	No. of shares allotted	Face Value (in Rs.)	Amount (INR)	Date of allotment of shares	Reported to RBI on
1	121773	10	1,33,95,030	14.08.2000	20.10.2000
2	100266	10	10,02,660	22.12.2000	27.12.2000
3	2025000	10	2,02,50,000	19.04.2005	18.05.2005
	2025000	10	2,02,50,000	19.04.2005	18.05.2005
4	6814395	10	6,81,43,950	11.07.2005	12.08.2005
	6814395	10	6,81,43,950	11.07.2005	12.08.2005
5	1247121	60	7,48,27,260	11.07.2005	12.08.2005
	1247121	60	7,48,27,260	11.07.2005	12.08.2005
6	483358	158	7,63,70,564	31.07.2006	16.02.2007
	17774	158	28,08,292	31.07.2006	16.02.2007
7	135000	10	2,07,90,000	14.08.2007	27.01.2009
8	3155788	10	78,89,47,000	20.08.2007	10.03.2008
9	2334231	260	60,69,00,060	11.12.2008	16.03.2009

The applicant filed form FC-GPRs as indicated above with delay ranging from one month six days to one year four months 13 days approximately beyond the prescribed limit in respect of the allotments at Sl.Nos.1 and 6 to 9. Whereas in terms of paragraph 9 (1) B of Schedule I 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 has filed a suo motu compounding application dated May 21, 2018 wherein it has been declared 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 21, 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/him/her thereafter. Accordingly, the above contraventions which are being compounded in this



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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.

5. The applicant was given an opportunity for personal hearing vide Reserve Bank's mail dated September 19, 2018 for further submission in person and/or producing additional documents, if any, in support of the application. The applicant did not appear for the personal hearing. In the compounding application, it was submitted that the delays were unintentional and have requested Reserve Bank 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 on record.

6. I have given my careful consideration to the documents on record and submissions made by the applicant in the compounding application. 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 due to delay in reporting of receipt of inward remittances towards subscription of equity shares as detailed in paragraph 2 above. The contravention relates to an amount of ₹ 90,26,99,040.00 with delay ranging from five days to five months 18 days approximately; and

(b) Paragraph 9 (1) B of Schedule 1 to Notification No. FEMA 20/2000-RB due to delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to persons resident outside India and the contravention relates to an amount of ₹ 150,92,10,946.00 with delay ranging from one month six days to one year four months 13 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



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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 **₹2,55,940/-** (Rupees two lakh fifty five thousand nine hundred and forty only) will meet the ends of justice.

8. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9 (1) A and 9 (1) B 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 **₹ 2,55,940/-** (Rupees two lakh fifty five thousand nine hundred and forty 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 Twenty fifth day of September, 2018.

Sd/-

Dr.K.Balu

Chief General Manager