



PRESS RELEASE

17/06/2026

RBI issued compounding order for FEMA violations in case of M/s. Apollo Hospitals Enterprises Limited & its Five Concerned Directors/Officers.

The Reserve Bank of India (RBI) has issued a compounding order u/s 15 of Foreign Exchange Management Act, 1999 (FEMA), in the case of M/s. Apollo Hospitals Enterprises Limited & its five concerned Directors/officers, Smt. Preetha Reddy, Smt. Suneetha Reddy, S.K. Venkatraman, Akhileswaran Krishnan and S.M. Krishnan, which has resulted into termination of adjudication proceedings against the company for compounded contraventions of provisions of FEMA, 1999. The said order has been passed by RBI after issuance of "No Objection" by the Directorate of Enforcement (ED).

In this case, based on the credible information received, investigation was taken up by ED under the provisions of FEMA. After completion of investigation, ED filed complaint u/s 16 of FEMA before the Adjudicating Authority. The company, later on, filed an application before the RBI for compounding of the said contraventions under FEMA as per the provisions of Section 15 of the Act. On reference from RBI, the ED issued no objection for such compounding in line with the true spirit of the Act. Accordingly, the RBI, on the basis of no objection issued by ED, has compounded following contraventions:

- Receiving FDI in a sector prohibited for FDI (retail trading), and subsequent receipt of FDI without requisite government approval, in contravention of Regulation 5(1) read with Para B(1) of Annex A to Schedule 1 further read with SI.No. 16.5 of Annex B to Schedule 1 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. The sum involved in the contravention is Rs. 859,87,52,902/-
- Issuance of Foreign Currency Convertible Bonds (FCCBs), in contravention of Regulation 21(2)(i) read with para (i) of Schedule 1 of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004, notified vide Notification No. FEMA 120/2004-RB dated July 07, 2004, as amended from time to time, read with Regulation 5(1) read with para B(1) of Annex A to Schedule 1 of FEMA 20. The sum involved in the contravention is Rs. 70,02,47,500/-
- Receiving foreign investment under FII-PIS route, which in aggregate breached the 24% paid-up capital limit, in contravention of Regulation 5(2) read with Para 1(4) of Schedule 2 of FEMA 20. The sum involved in the contravention is Rs. 623,87,69,051/-
- Breaching overall sectoral cap limit of 51% (for foreign shareholding prescribed for multi brand retail trading), in contravention of Regulation 5(1) read with SI.No. 16.5 of Annex B to Schedule 1 of FEMA 20. The sum involved in the contravention is Rs. 870,66,92,914/-

The contraventions have been compounded with a one-time payment of Rs. 17, 76, 80,121/- by M/s. Apollo Hospitals Enterprises Limited and Rs. 18, 00,000/- each by its concerned Directors/officers mentioned above. This has resulted into termination of adjudication proceedings under the provisions of FEMA against the company with regard to aforementioned contraventions as well as further litigation.