



In the

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

Present

Shri P Kalyan Chakravarthy  
Assistant General Manager

Date: June 20, 2019  
C.A. HYD 427

In the matter of  
M/s Manjeera Hospitality (Rajahmundry) Pvt Ltd  
Sy No.399,399/1 Atmakuru Village,  
Mangalagiri Mandal Guntur  
Andhra Pradesh 520010

**(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 thereunder, I pass the following

**Order**

The applicant has filed the compounding application dated May 21, 2019 received on May 28, 2019 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 in terms of Paragraph 9(1)(A) of Schedule 1 to Foreign Exchange Management Regulations, 2000 notified vide Notification No. FEMA.20/2000-RB dated May 03, 2000 (hereinafter referred to as Notification No.



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FEMA 20/2000-RB) as then applicable and (ii) delay in filing of FLA returns in terms of Regulation 13.1(3) of FEMA 20(R) dated November 7, 2017(hereinafter referred to as Notification No. FEMA 20R/2017-RB) as amended from time to time.

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, 2013 on

01.09.2016(CIN:U45201AP2016PTC103998). The company is engaged in Hotels and Motels, inns, resorts providing short term lodging facilities.

b) The applicant had received foreign inward remittances for subscription to equity shares as indicated below:

S.No	Name of remitter	Amount (INR)	Date of Receipt	Date of reporting
1	Padmaja Taduri	50,000	21/09/2017	09/01/2018
2	Padmaja Taduri	20,00,000	28/09/2017	28/10/2017
3	Padmaja Taduri	29,50,000	05/10/2017	28/10/2017
4	Padmaja Taduri	2,50,000	09/10/2017	09/01/2018
5	Padmaja Taduri	1,00,000	10/10/2017	08/01/2018
6	Padmaja Taduri	2,00,000	18/10/2017	08/01/2018
7	Padmaja Taduri	24,50,000	08/11/2017	07/04/2018*
8	Padmaja Taduri	6,00,000	10/01/2018	07/04/2018*



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9	Padmaja Taduri	5,00,000	11/01/2018	07/04/2018*
10	Padmaja Taduri	5,00,000	12/01/2018	07/04/2018*
11	Padmaja Taduri	10,00,000	14/03/2018	07/04/2018
12	Padmaja Taduri	14,00,000	15/03/2018	07/04/2018
		<b>1,20,00,000</b>		

**\*Late Submission fee paid as the remittances were received after November 7, 2017.**

The applicant reported receipt of remittances towards share subscription amounting to **Rs. 1,20,00,000/-** to the Regional Office of Reserve Bank of India out of which remittances amounting to **Rs 6,00,000/-** were reported with delays ranging from 1 month 22 days to 2 months 19 days 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 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 has delayed in filing FLA Return (Foreign liabilities and Assets) for

Sl No	Particulars	Financial year	Due date of filing	Date of actual filing
1	FLA Return	2017-18	15/07/2018	19/04/2019

1 year as shown below:



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The company had filed FLA returns for the year 2017-18 with delay of 9 months 4 days approximately. Whereas, in terms of Regulation 13.1(3) of FEMA 20(R) dated November 7, 2017, all Indian companies which have received Foreign Direct Investment in the previous year(s) including the current year shall submit to the Reserve Bank of India, on or before the 15th day of July of each year, a report titled 'Annual Return on Foreign Liabilities and Assets' (FLA) as specified by the Reserve Bank from time to time.

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/2898/14.66.003/2018-19 dated June 18, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The authorized representative of the company, Shri Ch.N.V.Rambabu, Company Secretary, appeared for personal hearing on June 19, 2019. He admitted the contraventions for which the compounding has been sought. During the personal hearing it was submitted that the delay was not wilful or with a malafide intention but was on account of administrative lapses. In view of the above, the applicant requested to take a lenient view in disposal of the application. The application for compounding is, therefore, being considered on the basis of the averments made in the application as well the submissions made in this context by the applicant during the personal hearing.

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 ₹ 6,00,000/- and the delay ranges from 1 month 22 days to 2 months 19 days approximately.



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(b) Regulation 13.1(3) of Notification No. FEMA 20(R)/2017-RB for delay in filing of FLA returns for the year 2017-18 and the period of contravention is 9 months 4 days approximately.

5. It has been declared in the compounding application dated May 21, 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 June 10, 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 **₹20,840/- (Rupees Twenty Thousand Eight Hundred and Forty Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9(1)(A) of Schedule 1 to FEMA.20/2000-RB and Regulation 13.1(3) of Notification no. FEMA 20(R)/2017-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 **₹20,840/- (Rupees Twenty Thousand Eight Hundred and**



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**Forty 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 of accordingly.

Dated this 20<sup>th</sup> day of June 2019

Sd/-

(P Kalyan Chakravarthy)

Assistant General Manager