



In the

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

Present

Shri. Subrata Das  
Regional Director (Andhra Pradesh and Telangana) and  
Chief General Manager (Hyderabad)

Date: October 7, 2019  
C.A. HYD 447

In the matter of

M/s. A & M Resources Private Limited  
"Saikrupa", D. NO: 8-3-833, Plot. No: 37 & 38, Phase-I,  
Kamalapuri Colony, Hyderabad - 500 073

**(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 compounding application dated August 19, 2019 received on August 20, 2019 for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued thereunder. The contraventions sought to be compounded are (i) delay in submission of form FC-GPR to the Regional Office of the Reserve Bank after issue of shares to a person resident outside India and (ii) delay in filing of the annual return in respect of the Foreign Liabilities and Assets, in terms of Paragraph 9(1)(B) , Paragraph 9(2) of Schedule 1 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



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dated 3<sup>rd</sup> May 2000 as then applicable (hereinafter referred to as Notification No. FEMA 20/2000-RB) and Regulation 13.1(3) of Schedule 1 to FEMA 20(R)/2017-RB dated November 7, 2017 as amended from time to time respectively.

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, 1956 on December 2, 2010 (CIN: U13203TG2010PTC071499). The company is engaged in the business of “Contract Mining, Exploration and related activities”.
- b) The applicant had received foreign inward remittances from a foreign investor as indicated below.

SI No	Name of Remitter	Total Amount (INR)	Date of Receipt	Date of Reporting
1	Assent Trade & Investment Private Limited	49,33,983	28.05.2011	13.06.2011
2		1,01,77,546	02.05.2012	14.05.2012
3		2,00,12,466	15.06.2012	26.06.2012
4		1,54,23,800	08.08.2012	07.09.2012
5		99,41,059	02.11.2012	20.11.2012
6		1,98,55,444	15.11.2012	28.11.2012
7		14,19,036	26.02.2014	04.03.2014
<b>Total</b>		<b>8,17,63,334</b>		

The applicant had received foreign inward remittances amounting to ₹ 8,17,63,334/- from M/s Assent Trade & Investment Private Limited during the period from May 28, 2011 to February 26, 2014 towards subscription of shares and reported the same to the Regional Office of Reserve Bank of India within the stipulated time in terms of Paragraph 9(1)(A) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 03, 2000 as then applicable.

- c) The applicant allotted equity shares and filed form FC-GPRs as indicated below.



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SI No	Name of investor	Date of allotment of shares	Number of shares allotted	Amount for which shares allotted (INR)	Date of reporting
1	Assent Trade & Investment Pvt Ltd	04.07.2011	4,93,398	49,33,980	01.08.2011
2	Assent Trade & Investment Pvt Ltd	18.09.2012	30,19,001	3,01,90,010	31.10.2012
3	Assent Trade & Investment Pvt Ltd	28.12.2012	3,08,476	1,54,23,800	29.01.2013
4	Assent Trade & Investment Pvt Ltd	29.04.2013	5,95,929	2,97,96,450	27.11.2013
5	Assent Trade & Investment Pvt Ltd	30.03.2014	1,41,909	14,19,090	09.07.2014
<b>Total</b>			<b>45,58,713</b>	<b>8,17,63,330</b>	

The applicant filed form FCGPRs for the allotment of shares amounting to ₹ 8,17,63,330/- to the Regional Office of Reserve Bank of India out of which shares amounting to ₹ 7,68,29,350/- were reported with delays ranging from 2 days to 5 months 29 days approximately. 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 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) The applicant has delayed in filing FLA Returns (Foreign liabilities and Assets) as shown below:

SI No	Particulars	Financial year	Due date of filing	Date of acknowledgement from RBI
1	FLA Return	2011-12	15.07.2012	16.11.2012
2	FLA Return	2012-13	15.07.2013	12.08.2013



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3	FLA Return	2013-14	15.07.2014	03.08.2014
4	FLA Return	2014-15	15.07.2015	15.07.2016
5	FLA Return	2015-16	15.07.2016	31.05.2017
6	FLA Return	2016-17	15.07.2017	04.04.2018
7	FLA Return	2017-18	15.07.2018	24.09.2019
8	FLA Return	2018-19	31.07.2019	25.09.2019

The applicant had filed FLA returns for the financial years from 2011-12 to 2018-19 with delays ranging from 19 days to 1 year 2 months 9 days approximately. Whereas in terms of Paragraph 9(2) of Schedule I to Notification No. FEMA 20/2000-RB dated May 03, 2000 as then applicable and Regulation 13.1(3) of Schedule 1 to Notification No. FEMA 20 (R)/2017-RB dated November 07, 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/ 805 /14.66.003/2019-20 dated October 03, 2019 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant vide mail dated October 03, 2019 stated that they are foregoing appearing for the personal hearing and requested that the compounding application may be disposed of 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)(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 **₹ 7,68,29,350/-** with delays ranging from 2 days to 5 months 29 days approximately.

(b) Paragraph 9(2) of Schedule 1 to Notification No. FEMA. 20/2000-RB and Regulation 13.1(3) of Schedule 1 to Notification No. FEMA 20(R)/2017-RB dated November 07, 2017 for delay in filing of Annual Return on Foreign Liabilities and Assets to Reserve Bank of India for the financial years from 2011-12 to 2018-19 with delays ranging from 19 days to 1 year 2 months 9 days approximately.

5. It has been declared in the compounding application dated August 19, 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 August 19, 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 **₹ 1,23,625 /- (Rupees One Lakh Twenty Three Thousand Six Hundred and Twenty Five Only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9(1)(B) , Paragraph 9(2) of Schedule 1 to Notification No. FEMA-20/2000-RB and Regulation 13.1(3) of Schedule 1 to 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 **₹ 1,23,625 /- (Rupees One Lakh Twenty Three Thousand Six Hundred and Twenty Five 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 7<sup>th</sup> day of October 2019

Sd/-

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