



**In the  
Reserve Bank of India  
Foreign Exchange Department  
7th Floor, Gera's Imperium-II,  
EDC Complex, Patto Plaza,  
Panaji, Goa - 403 001**

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Present

**Ms. Meenakshi Gad  
Deputy General Manager**

**Date: February 26, 2019**

**CA No: PAN16**

In the matter of

**M/s Dasma Hotels Pvt Ltd.  
Regd. Office: H. No. 900, Monteiro Waddo,  
Anjuna, Bardez, Goa - 403517**

In exercise of the powers conferred 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 January 17, 2019 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 receipt of foreign inward remittance towards subscription to equity (ii) delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to a person resident outside India and (iii) delay in issuance of shares beyond 180 days in terms of paragraphs 9(1)(A), 9(1)(B) and 8 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 3rd May 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:

i) The applicant is a company registered as a private limited company, incorporated on March 11, 2008 under the Companies Act, 1956 (CIN:U55101GA2008PTC005656) with the main object of undertaking the business of Hotel and Tourism (NIC Code: 990).

ii) The applicant received foreign inward remittances towards issue of equity shares as detailed below:

Sr. No.	Name of Remitter	Amount (Rs.)	Date of Receipt	Reported to RBI on
1	Mayya Maximova	17,53,400	28-Apr-2008	15-Jul-2009
2	Mayya Maximova	4,78,600	12-Dec-2008	23-Nov-2018
3	Mayya Maximova	4,98,450	24-Mar-2009	15-Jul-2009
4	Mayya Maximova	4,72,263	17-Jun-2009	15-Jul-2009
5	Mayya Maximova	7,01,858	14-Oct-2009	6-Jan-2011
	<b>TOTAL</b>	<b>39,04,571/-</b>		

The applicant reported receipt of remittances to the Foreign Exchange Department, Panaji Office of the Reserve Bank on the dates indicated above with delays of 2 months 20 days to 9 years 10 months 11 days in respect of remittance received on four occasions, beyond the stipulated period of 30 days out of which the amount of Rs.17,53,400/- has been compounded by Directorate of Enforcement (DoE) vide ADJ/18/AD/SG/Goa/2018 dated August 21, 2018. 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.

iii) The applicant allotted equity shares and filed FC-GPRs as indicated below:

Sr. No.	Name of Investor	No. of Shares	Amount (Rs.)	Date of Allotment	Reported to RBI on
1	Sergey Maximov	999	99,900/-	11-Mar-2008	15-Jul-2009
	Mayya Maximova	1	100/-		
2	Sergey Maximov	3,999	3,99,900/-	20-May-2008	
	Mayya Maximova	1	100/-		
3	Sergey Maximov	17,320	17,32,000/-	5-Jan-2009	23-Nov-2018
4		4,984	4,98,400/-	16-Apr-2009	15-Jul-2009
5	Sergey Maximov	4,722	4,72,200/-	24-Jun-2009	15-Jul-2009
6	Mayya Maximova	7,018	7,01,800/-	01-Dec-2010	06-Jan-2011
	<b>Total</b>	<b>39044</b>	<b>39,04,400/-</b>		

The applicant filed Form FC-GPR in respect of shares allotted with delays ranging from 5 days to 9 years 9 months 18 days approximately on five occasions, beyond the stipulated period of 30 days. 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 FCGPR along with documents prescribed therein within 30 days from the date of issue of shares to a person resident outside India.

iv) The company had received the inward remittances towards issue of shares and issued the shares after the prescribed period of 180 days as detailed below:

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No. of Shares	Shares Amount (Rs.)	Inward Remittance (Rs.)	Date of Credit	Date of Allotment
17320	17,32,000/-	12,53,400/- (Part amount of 17,53,400/-)	28-Apr-2008	5-Jan-2009
		4,78,600/-	12-Dec-2008	



The company had received inward remittance and issued the shares with delay of 2 months 10 days. Whereas in terms of paragraph 8 of Schedule I to Notification No. FEMA 20/2000-RB, the shares have to be issued and / or amount refunded within 180 days from the date of receipt of the inward remittance.

3. The applicant was given an opportunity for personal hearing vide Reserve Bank's letter no. PNJ.FED: 443 / 02.01.865 / 2018-19 dated February 05, 2019 for further submission in person and / or producing documents, if any, in support of the application. However, the company vide e-mail dated February 05, 2019 has informed that they are unable to appear for the personal hearing. The applicant, in the compounding application, has admitted the contravention as stated in para 2 above for which compounding has been sought. The application for compounding is, therefore, being considered based on the averments made in the application as well as other documents and submissions made in this context by the applicant.

4. It has been declared in the compounding application dated January 17, 2019 that the particulars given by the applicant in the application are true and correct to the best of their knowledge and belief and also that the applicant was not under any enquiry/investigation/adjudication by any agency such as Enforcement Directorate, CBI, etc. as on the date of the application. The applicant has also given an undertaking to inform RBI of initiation of any enquiry / investigation / adjudication proceedings against it 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.



5. I have given my careful consideration to the documents on record and in the compounding application. Accordingly, I hold that the applicant has contravened the FEMA provisions issued in terms of:

- i) Paragraph 9(1) (A) of Schedule I to Notification No. FEMA 20/2000-RB due to the delay in reporting of receipt of foreign inward remittance towards subscription to equity as detailed in paragraph 2 above. The contravention relates to an amount of **Rs.16,78,908/-** and the duration of delay is 2 months 20 days to 9 years 10 months 11 days.
- ii) Paragraph 9(1) (B) of Schedule I 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. The contravention relates to an amount of **Rs.34,32,200/-** and the duration of contravention ranges from 5 days to 9 years 9 months 18 days approximately.
- iii) Paragraph 8 of Schedule I to Notification No. FEMA 20/2000-RB due to delay in issuance of shares with delay of 2 months 10 days. The contravention relates to an amount of **Rs.12,53,400/-**.

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 contraventions are to be compounded and I consider that an amount of **Rs.1,00,775/- (Rupees One Lakh Seven Hundred Seventy Five only)** will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9(1) (A), 9(1) (B) and 8 of Schedule I 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



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**CA No: PAN16**

amount of **Rs.1,00,775/- (Rupees One Lakh Seven Hundred Seventy Five only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Gera Imperium II, 7<sup>th</sup> Floor, EDC, Patta Plaza, Panaji, Goa 403 001 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Mumbai 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 the Twenty Sixth day of February 2019.

Sd/-

**(Meenakshi Gad)**  
**Deputy General Manager**