



**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

**Shri. Carey Mascarenhas  
Assistant General Manager**

**Date: December 26, 2019**

**CA No: PAN26**

In the matter of

**M/s Kopi Desa Private Limited  
Regd. Office: Dhavalkajan, Canacona,  
South Goa, Goa - 403 702  
(Applicant)**

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 November 01, 2019 for compounding of contravention of the provision of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contravention sought to be compounded is delay in allotment of shares after the receipt of inward remittance beyond the stipulated time period, in terms of Paragraph 2 of Schedule I to Notification No. FEMA 20(R)/2017–RB dated November 07, 2017.



2. The relevant facts of the case are as follows:

i) The applicant is a company registered as a private limited company, incorporated on July 22, 2016 under the Companies Act, 2013 (CIN:U55101GA2016PTC012952) with the main object of undertaking the business of restaurant (NIC code: 56301).

ii) The applicant had received the inward remittance towards issue of shares and allotted shares after the prescribed period of 60 days as detailed below –

No. of shares	Amount (in Rs.)	Dt. of Credit	Dt. of Allotment
4,754	99,834/-	24-Apr-2019	25-Jul-2019

The applicant had received inward remittance and allotted shares beyond the stipulated period with delay of 1 month and 2 days. Whereas in terms of Paragraph 2 of Schedule I to Notification No. FEMA 20(R)/2017–RB dated November 07, 2017, the shares have to be issued and / or amount refunded within 60 / 75 days (as applicable) 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: 361/ 02.01.010 / 2019-20 dated December 04, 2019 for further submission in person and / or producing documents, if any, in support of the application. The company representative Mr. Ludovico Ferrao has informed vide email dated December 05, 2019 that they did not wish to attend the personal hearing.

It has been declared in the compounding application dated November 01, 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 contravention which is being compounded in this Order is 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.

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 made in this context by the applicant.

4. 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 Paragraph 2 of Schedule I to Notification No. FEMA 20(R)/2017–RB dated November 07, 2017 due to delay in allotment of shares against the inward remittance received with delay of 1 month 2 days. The contravention relates to an amount of **Rs.99,834/-**.

5. 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 **Rs.9,984/- (Rupees Nine Thousand Nine Hundred Eighty Four only)** will meet the ends of justice.

6. Accordingly, I compound the admitted contravention namely, the contravention of Paragraph 2 of Schedule I 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 **Rs.9,984/- (Rupees Nine Thousand Nine Hundred Eighty Four only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange



**M/s Kopi Desa Private Limited**  
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Department, Gera Imperium II, 7<sup>th</sup> Floor, EDC Complex, Patto 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 abovementioned 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 December 2019.

Sd/-

(Shri. Carey Mascarenhas)  
Assistant General Manager