



In the

**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
11th floor, Central Office Building  
Shahid Bhagat Singh Road  
Mumbai - 400 001

Present

**Shekhar Bhatnagar**  
**Chief General Manager**

Date: September 26, 2017  
CA No 4471 / 2017

In the matter of

**Ceres Hotels Private Limited**  
**S15, Jairam Complex, Nevgi Nagar**  
**Tiswadi, Panaji, Goa - 403001**

**(Applicant)**

In exercise of the powers conferred under section 15 (1) of Foreign Exchange Management Act, 1999 and the Regulations/Rules/Notifications/Orders made there under, I pass the following

**Order**

The applicant has filed the application dated July 14, 2017 (received in the Reserve Bank on July 25, 2017), for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued there under. The contravention sought to be compounded is delay in filing of form FC-GPR beyond the stipulated time period. The above amount to the contravention of Paragraph 9(1)(B) of Schedule 1 of 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 May 3, 2000 as amended from time to time (hereinafter referred to as Notification No. FEMA 20/2000-RB).

2. The relevant facts are as under: The applicant, a resident company, was incorporated as Ceres Hotels Private Limited on January 28, 2015 under the Companies Act, 2013 (CIN: U74999GA2015PTC007786). The applicant is engaged in the business of owning, managing, building, operating and carrying on business in India or elsewhere of residential hotels, motels, restaurants, cafes etc. The applicant received the following inward remittances, for which there was a delay in reporting in the Form FCGPR:

S.No.	Name of remitter	Amount of remittance (INR)	Date of allotment of shares	Date of reporting to RBI by AD bank
1	MetTube International Pte Limited	15,00,00,000	4.11.2015	8.12.2015
2	MetTube International Pte Limited	1,94,79,000	30.11.2015	05.01.2016
3	MetTube International Pte Limited	20,00,03,300	11.12.2015	11.03.2016
4	MetTube International Pte Limited	94,30,37,400	14.12.2015	04.03.2016
5	Metrod Holdings Singapore Pte Limited	1,37,49,09,700	14.12.2015	04.03.2016
6	MetTube SDN BHD	12,77,55,000	14.12.2015	04.03.2016
7	MetTube SDN BHD	12,27,45,000	14.12.2015	04.03.2016



8	MetTube International Pte Limited	8,32,600	30.03.2016	29.09.2016
	Total	2,93,87,62,000		

The allotment of shares under FDI route was not reported within the stipulated time period, thus contravening Paragraph 9(1)(B) of Schedule I of Notification No. FEMA 20/2000-RB.

3. According to Para 9(1)(B) of Schedule 1 of Notification No.FEMA.20/2000-RB dated May 03, 2000 as amended from time to time states that “An Indian company issuing shares or convertible debentures in accordance with these Regulations shall submit through AD bank to the Regional Office concerned of the Reserve Bank under whose jurisdiction the Registered office of the company operates, not later than 30 days from the date of issue of shares, a report in the Form FC-GPR as specified by the Reserve Bank from time to time....”.

4. The applicant was given an opportunity for personal hearing vide letter No. FE.CO.CEFA/2458/15.20.67/2017-18 dated September 13, 2017 for further submission in person and/or producing documents, if any, in support of the application. The personal hearing was held on September 21, 2017 during which Shri Moin Lodha, Associate Partner, Khaitan and Co. and Ms. Arpita Anand, Associate, Khaitan and Co., represented the applicant. The representatives of the applicant submitted that the applicant had inadvertently failed to comply with the FEMA regulations and requested that a lenient view may be taken in the matter. The application is, therefore, being considered on the basis of the averments made in the application, the documents produced and submissions made during the personal hearing.

5. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing. It was observed that the applicant has contravened the provisions of Paragraph



9(1)(B) of Notification No.FEMA.20/2000-RB dated May 3, 2000, as amended from time to time. The amount of contravention is Rs. 2,93,87,62,000/- and period of contravention ranges from 4 days to 5 months 2 days approximately.

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. After considering the submissions made by the applicant and the entire facts and circumstances of the case I am persuaded to take a lenient view on the amount for which the contravention is to be compounded and it stands to reason that payment of an amount of Rs. 1,06,333/- (Rupees one lakh six thousand three hundred and thirty three only) will meet the ends of justice in the circumstances of this case.

7. Accordingly, I compound, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 the admitted contravention committed by the applicant namely, Paragraph 9(1)(B) of Notification No.FEMA.20/2000-RB dated May 3, 2000, as amended from time to time, on payment of a sum of Rs. 1,06,333/- (Rupees one lakh six thousand three hundred and thirty three only), which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 5th Floor, Amar Building, Fort, Mumbai 400001 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 accordingly.

Dated this the twenty sixth day of September, 2017

**Sd/-**

**Shekhar Bhatnagar**  
**(Chief General Manager)**