



In the

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

Present

Ajay Kumar Misra
Chief General Manager

Date: December 26, 2018
CA No 4788 / 2018

In the matter of

Riverside Resorts & Holiday Homes Pvt. Ltd.
Resort Rio, 314H
Tambudki Arpora Bardez, Goa - 403518

(Applicant)

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

Order

The applicant has filed the application dated September 12, 2018 (received in the Reserve Bank on September 18, 2018), for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The applicant company has sought to be compounded for (i) delay in reporting receipt of funds for issue of shares, beyond the stipulated time period and (ii) delay in filing of form FC-GPR beyond the stipulated time period, in contravention of Paragraphs 9(1)(A) and 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 company was incorporated as Riverside Home Developers Private Limited (CIN: U70109GA2005PTC004077) in Goa on July 08, 2005, under the Companies Act, 1956. Its name was changed to Riverside Resorts & Holiday Homes Pvt. Ltd. on February 11, 2009. It is engaged in the business of acquiring, purchasing or leasing land and developing the same into residential or commercial complexes.

The applicant received certain foreign inward remittances, the details of which are as follows:

S.No.	Name of remitter	Amount received (INR)	Date of receipt of funds	Date of reporting
1	CVS Asset Management Limited	1,32,03,750	05.09.2013	16.11.2013
2	-do-	4,04,20,000	23.01.2014	26.02.2014
3	-do-	2,02,10,000	23.01.2014	26.02.2014
4	-do-	2,02,10,000	23.01.2014	26.02.2014
5	Anup Shah	4,213.50	05.12.2014	11.06.2015
6	Anup Shah / Alpa Shah	86,52,500	31.03.2016	04.05.2016
7	Anup Shah	4,18,21,000	21.07.2016	05.11.2016
8	-do-	95,09,732	27.07.2016	05.11.2016
9	Real Advisory Limited	4,36,28,825	17.01.2017	04.06.2018
10	-do-	53,62,750	29.03.2017	24.03.2018
11	-do-	3,62,750	29.03.2017	19.05.2018
Total		20,33,85,520.50		

There was a delay in reporting the abovementioned inward remittances, beyond the stipulated period of 30 days, in contravention of Paragraph 9(1)(A) of Schedule I of Notification No. FEMA 20/2000-RB.

Furthermore, the applicant filed the Form FC-GPR, after the allotment of shares, with respect to certain foreign inward remittances, with a delay beyond



the stipulated period of 30 days, in contravention of Paragraph 9(1)(B) of Schedule I of Notification No. FEMA 20/2000-RB. The details of such transactions are as follows:

S.No.	Name of remitter	Amount for which shares allotted (INR)	Date of allotment of shares	Date of reporting
1	CVS Asset Management Ltd.	1,32,03,750	28.02.2014	24.04.2014
2	Anup Shah/Alpa Shah	86,52,492	31.03.2016	04.05.2016
3	Real Advisory Ltd.	3,37,30,704	21.07.2016	17.03.2018
4	Quattro Investment Ltd.	80,90,292	21.07.2016	17.03.2018
5	Quattro Investment Ltd.	95,09,736	22.08.2016	12.06.2018
6	Real Advisory Ltd.			
7	Real Advisory Ltd.	5,06,28,816	16.03.2017	28.05.2018
8	Real Advisory Ltd.	57,25,488	30.03.2017	28.05.2018
9	Lawrence Pinkney	53,62,740	30.03.2017	07.06.2018
Total		13,49,04,018		

3. According to Para 9(1)(A) of Schedule 1 of Notification No.FEMA.20/2000-RB, “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 receipt of the amount of consideration received by Indian company for issue of shares and convertible debentures, a report in form specified in Annex C to this Schedule along with a copy/ies of Foreign Inward Remittance Certificate/s (FIRC), Know Your Customer (KYC) report on the non-resident investor and details of the Government approval, if any”.

Further, Para 9(1)(B) of Schedule 1 of Notification No.FEMA.20/2000-RB, 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/2479/15.20.67/2018-19 dated October 29, 2018 for further submission in person and/or producing documents, if any, in support of the application. The personal hearing was held on December 04, 2018 during which Shri Tirthram Arondekar, Chief Financial Officer and Shri Pratap Mapani, Assistant Admin Manager, represented the applicant. During the personal hearing, the representatives of the applicant stated that the reporting delays were inadvertent and requested that a lenient view may be taken in the matter. It has been declared in the compounding application dated September 12, 2018, that the particulars given by the applicant in the application are true and correct to the best of their/his/her knowledge and belief. It has been also declared in the declaration filed along with the compounding application 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 been informed of initiation of any such enquiry/investigation/adjudication proceedings against it/him/her 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. The application is, therefore, being considered based on 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 and thereafter. It was observed that the applicant has contravened the provisions of Paragraphs 9(1)(A) and 9(1)(B) of Notification No.FEMA.20/2000-RB. The amounts and periods of contraventions are as follows:



(i) Para 9(1)(A) of Schedule 1 of Notification No. FEMA.20/2000-RB – Amount of contravention – Rs. 20,33,85,520.50/- and Period of contravention ranges from 3 days to 1 year 4 months approximately.

(ii) Para 9(1)(B) of Schedule 1 of Notification No. FEMA.20/2000-RB – Amount of contravention – Rs. 13,49,04,018/- and Period of contravention ranges from 3 days to 1 year 9 months 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. Rs. 3,61,833/- (Rupees three lakh sixty one thousand eight 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, Paragraphs 9(1)(A) and 9(1)(B) of Notification No.FEMA.20/2000-RB, on payment of a sum of Rs. 3,61,833/- (Rupees three lakh sixty one thousand eight 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 December, 2018

Sd/-

Ajay Kumar Misra
(Chief General Manager)