



In the

**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
5<sup>th</sup> Floor, Amar Building  
Sir P M Road  
Mumbai - 400 001

Present

**R. K. Moolchandani**  
**Chief General Manager**

Date: January 23, 2020  
CA No 4994/ 2019

In the matter of

**The Hindustan Times Limited**  
**9<sup>th</sup> floor, Hindustan Times House,**  
**18-20 Kasturba Gandhi Marg**  
**New Delhi 110 001.**

**(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 July 26, 2019 (received in the Reserve Bank of India on August 02, 2019) for compounding of contravention of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder. The contraventions pertain to delay in submission of Annual Performance Reports (APRs) with respect to its overseas wholly owned subsidiaries (WOSs) as under:

**a. HTBC Bermuda** - for the years 2000 - 2003, in terms of Regulation 15(iii) of Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2000 notified vide Notification No. FEMA 19/2000-RB dated May



03, 2000 and for the years 2004-2006 in contravention of Regulation 15(iii) of Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 notified vide Notification No. FEMA 120/2004-RB dated July 07, 2004 as amended from time to time.

**b. Go4i.com, Bermuda** - for the years 2006-2018, in contravention of Regulation 15(iii) of Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 notified vide Notification No. FEMA 120/2004-RB dated July 7, 2004 as amended from time to time.

2. The relevant facts are as under:

The applicant company was incorporated on October 25, 1999 (CIN U74899DL1927PLC000155) and is engaged in renting of properties, maintenance and services business, web-based electronics, e-commerce, voice and data mail services and other allied services.

The applicant company had incorporated a WOS in Bermuda, "HTBC Bermuda" in February 2000, under overseas direct investment (ODI) from India. The filing of APRs for this WOS was delayed for the years 2000-2006. The WOS had invested in another company "Go4i.com (Bermuda)", in April 2000, which became a Step down Subsidiary (SDS) to the applicant company. However, the applicant company disinvested from its WOS, "HTBC Bermuda" in March 2006. Post the disinvestment, the SDS became the direct subsidiary under ODI by the applicant company. APRs for this overseas entity were filed with a delay for the years 2006-2018. The delayed submission of APRs pertaining to both, the WOS and the SDS was taken on record, subject to compounding.

3. The applicant was given an opportunity for personal hearing vide letter No. FE.CO.CEFA/2631/15.20.67/2019-20 dated November 21, 2019 for further submission in person and/or producing documents, if any, in support of the application. The personal hearing was held on December 04, 2019, during which the applicant submitted that the contraventions were inadvertent 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 meeting with the Compounding Authority.

4. It has been declared in the compounding application dated July 26, 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 furnished along with the compounding application that the applicant was under enquiry by the Directorate of Enforcement (DoE), in connection with the transactions related to the overseas investments of the company and that all the details required by DoE at the time had been furnished by the applicant.

RBI, vide its letter reference No. FED.CO.CEFA/891/15.20.67/2018-19 dated 14.08.2019 and subsequently vide reminder No. FED.CO.CEFA/1554/15.20.67/2018-19 dated 24.09.2019 had sought No Objection Certificate (NOC) from DoE to proceed with the compounding process. No reply has been received from DoE in this regard.

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 submissions made during the personal hearing. It was observed that the applicant has contravened the provisions of Regulation 15(iii) of Notification No. FEMA.19/2000-RB dated May 03, 2000 and Regulation 15(iii) of Notification No.FEMA.120/2004-RB. The amount of contravention is Rs. 2,16,09,000/- and the APRs were delayed for the years 2000-2006 for HTBC Bermuda and from 2006 to 2018 for Go4i.com, Bermuda.

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, it stands to



reason that payment of an amount of Rs.2,00,000/- (Rupees Two lakhs only) will meet the ends of justice.

7. Accordingly, I compound, in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 the admitted contravention committed by the applicant namely, of Regulation 15(iii) of Notification No. FEMA.19/2000-RB dated May 03, 2000 and Regulation 15(iii) of Notification No.FEMA.120/2004-RB, on payment of a sum of Rs.2,00,000/- (Rupees Two lakhs only) which shall be deposited by the applicant with the "The Chief General Manager – In – Charge, 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 23<sup>rd</sup> day of January, 2020

**Sd/-**  
**(R. K. Moolchandani)**  
**Chief General Manager**