



In the

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

Present

R. K. Moolchandani
Chief General Manager

Date: November 14, 2019
CA No 4945/ 2019

In the matter of

Tarimela Advisors Private Limited
Plot No – 1237, Road No. 62, Jubilee Hills,
Hyderabad 500 033.

(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 May 15, 2019 (received in the Reserve Bank on May 21, 2019, read with addendum dated October 26, 2019 received via email) for compounding of contravention of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued thereunder, for delay in submission of Annual Performance Report (APR) for the year 2017, 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 (hereinafter referred to as Notification No. FEMA 120/2004-RB).

2. The relevant facts are as under:

The applicant company was incorporated on April 27, 2013 (CIN U74120TG2013PTC087326) and is involved in legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling and business and management consultancy. The company had made overseas direct investment (ODI) in its wholly owned subsidiary (WOS), Imimobile PLC, in UK in February 2016. Though the company had reported the investment, it failed to file the Annual Performance Report (APR) for the year 2016-17. The company had disinvested from the WOS in the year 2018 and APR filings were made after disinvestment with a delay – which were taken on record, subject to compounding.

3. The applicant was given an opportunity for personal hearing vide letter No. FE.CO.CEFA/1823/15.20.67/2019-20 dated October 10, 2019 for further submission in person and/or producing documents, if any, in support of the application. The personal hearing was held on October 22, 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 May 15, 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 also been declared in the declaration furnished 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 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 submissions made during the personal hearing. It was observed that the applicant has contravened the provisions of Regulation 15(iii) of Notification No.FEMA.120/2004-RB. The amount of contravention is Rs 90,78,38,533/- and the period of the contravention is one year 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, it stands to reason that payment of an amount of Rs. 10,000/- (Rupees ten thousand 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, Regulation 15(iii) of Notification No.FEMA.120/2004-RB, on payment of a sum of Rs. 10,000/- (Rupees ten thousand 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 14th day of November, 2019

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