



In the

**Reserve Bank of India**  
Foreign Exchange Department  
Mumbai Regional Office  
Main Building, 3rd floor  
Shahid Bhagat Singh Marg, Fort  
Mumbai 400 001

Present

**Shri J. K. Pandey**  
Chief General Manager

**Date: December 28, 2018**

**C.A. No. 795/2018**

In the matter of

**Wazzeer Internet Private Limited**  
3/1001, Challengers, Thakur Village  
Kandivali East  
Mumbai - 400101

**(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 thereunder, I pass the following

**Order**

1. The applicant has filed the compounding application dated September 10, 2018, (received at the Reserve Bank of India 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 contraventions sought to be compounded are (i) delay in reporting receipt of foreign inward remittance towards subscription to equity and (ii) delay in submission of Form FC-GPR to the Reserve Bank after issue of shares to a person resident outside India, in terms of paragraphs 9 (1) (A) and 9 (1) (B) respectively, of Schedule 1 to



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 of the case are as follows: The applicant company was incorporated on January 09, 2016, under the Companies Act, 2013 as Wazzeer Internet Private Limited. Its main activities are (i) to carry on the business, whether in India or elsewhere in the world, as service provider to cater to needs of business, industry, trade, commerce in relation to and for facilitation of purchase and sale of any kind services or products by any third parties through any medium, including by developing and operating a portal for listing of products and services and enabling users to obtain such services or products from third party vendors or professionals and to act as a connecting link whether offline or online using various mediums such as internet, web technology, mobile or any other available technology between service providers willing to provide the services mainly in domain of but not limited to accounting, finance, law, advisory, compliance, business management and support, business development, risk management, due diligence, audit and assurance, loan syndication, project management, advisory services, research, business structuring, consultancy, training and such other services as may be required by various end consumers, entrepreneurs, partnership firms, limited liability partnership, companies, trusts, societies or any other business entities and providing any services in relation thereto, including promotion of products or services, payment collection, customer care service and quality control to perform multi-level marketing of consumer and other goods, internet advertising and marketing, creating virtual malls, stores, shops, creating shopping catalogues, providing secured payment processing, e-commerce solutions for business to business and business to consumers, online trading in and outside India but does not include banking and money circulating business. (ii) to carry on the business of software designing, development, customisation, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and



solutions and to import, export, sell, purchase, distribute, host (in data centers or over the web) or otherwise deal in own or third party computer software packages, programs and solutions, and to provide internet/ web based applications, services and solutions, provide or take up information technology related assignments directly or on sub-contracting basis, offering services on-site/ offsite or through development centres using owned/ hired or third party infrastructure and equipment, providing solutions/ packages/ services to undertake IT enabled services, to provide data storage facilities, to provide practice management tool for the service providers to track, manage, distribute internally their work, streamline the delivery, to render data compilation and statistical analysis services.

3. The applicant received foreign inward remittances from non-residents towards equity shares / compulsory convertible preference shares/ compulsory convertible debentures and reported the same to the Reserve Bank of India on dates as indicated in the table below.

<b>Sr. No.</b>	<b>Amount received in INR</b>	<b>Date of receipt</b>	<b>Date of reporting</b>	<b>Delay</b>
1	49,35,860.58	28-10-2016	03-09-2017	9M 6D
2	32,99,170.05	14-02-2017	08-03-2017	No
3	18,93,584.35	16-05-2017	21-11-2017	5M 5D
4	25,43,682.00	25-05-2017	21-11-2017	4M 26D
Total	1,26,72,297.00			

The applicant reported receipt of remittances to the Reserve Bank of India with a delay ranging from 4 Months 26 Days to 9 Months 6 Days, approximately, in respect of remittances listed at serial no. 1, 3 and 4 above. Whereas in terms of paragraph 9 (1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB, an Indian company issuing shares or convertible debentures in accordance with these Regulations should report foreign inward remittances to the Reserve Bank of India as per the prescribed procedure not later than 30 days from the date of receipt of the amount of consideration.



4. The company allotted equity shares / compulsory convertible preference shares/ compulsory convertible debentures and filed FC-GPR on dates as indicated below:

Sr. no	No. of shares	FV in INR	Premium in INR	Amount involved in INR	Date of allotment	Date of filing	Delay
1	153	10.00	32,140.00	49,18,950.00	26-12-2016	21-11-2017	9M 25D
2	102	10.00	32,140.00	32,79,300.00	30-03-2017	21-11-2017	6M 21D
3	58	10.00	32,140.00	18,64,700.00	14-07-2017	28-11-2017	3M 14D
4	79	10.00	32,140.00	25,39,850.00	22-07-2017	28-11-2017	3M 6D
			Total	1,26,02,800.00			

The applicant filed form FC-GPR as indicated at serial No. 1 to 4 above with a delay ranging from 3 Months 6 Days to 9 Months 25 Days, approximately. Whereas, in terms of Paragraph 9 (1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB, an Indian company issuing shares in accordance with these Regulations has to submit to Reserve Bank a report in Form FC-GPR along with documents prescribed therein within 30 days from the date of issue of shares to person resident outside India.

5. The applicant vide e-mail dated December 12, 2018, has sought waiver to appear for the personal hearing. The applicant, in the compounding application, admitted the contraventions for which compounding has been sought. It has been submitted that the delay was inadvertent and unintentional. 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 submitted along with the application.

6. I have given my careful consideration to the documents on record. Accordingly, I hold that the applicant has contravened the following FEMA provisions issued in terms of:



(a) Paragraph 9 (1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in reporting of receipt of foreign inward remittances towards subscription to equity as detailed in paragraph no. 3 above. The contravention relates to an amount of Rs.93,73,126.93 (Rupees Ninety-Three Lakh Seventy-Three Thousand One Hundred Twenty Six and Ninety Three Paise Only) and the delay ranges from 4 Months 26 Days to 9 Months 6 Days, approximately.

(b) Paragraph 9 (1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB due to the delay in submission of Form FC-GPR to the Reserve Bank of India after issue of shares to persons resident outside India as detailed in para 4 above. The contravention relates to an amount of Rs.1,26,02,800.00 (Rupees One Crore Twenty-Six Lakh Two Thousand Eight Hundred Only) and the delay ranges from 3 Months 6 Days to 9 Months 25 Days, approximately.

7. It has been declared in the compounding application dated September 10, 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 further been stated in the declaration dated September 10, 2018, furnished 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 informed of initiation of any such enquiry/investigation / adjudication proceedings against it/him/her thereafter. It has further been declared that the applicant has not filed any appeal under section 17 or section 19 of FEMA, 1999. 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.

8. 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



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**Wazzeer Internet Private Limited**  
**C.A. No. MUM795/2018**

circumstances of the case as stated in the foregoing paragraphs, I am persuaded to take a lenient view on the amount for which the contraventions are to be compounded and I consider that an amount of Rs. 37,083.00 (Rupees Thirty Seven Thousand Eighty Three only) will meet the ends of justice.

9. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9(1) (A) and 9(1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB by the applicant as stated above on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of Rs. 37,083.00 (Rupees Thirty Seven Thousand Eighty Three only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, Mumbai Regional Office, Main Building, 3rd floor, Shahid Bhagat Singh Marg, 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.

10. The above order is passed only in respect of contraventions of para 9 (1) (A) and 9 (1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB and does not restrict the right of any other authority to proceed against the Company for any other violations/contraventions noticed at any point of time.

The application is disposed of accordingly.

Dated: December 28, 2018.

**Compounding Authority**

**Sd/-**  
**(J. K. Pandey)**  
Chief General Manager