



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

S. M. Shirke
Deputy General Manager

Date: September 17, 2018

C.A. No. 770/2018

In the matter of

Webklipper Technologies Private Limited
B-1602 Lotus Corporate Park
Off Western Express Highway
Goregaon (E), Mumbai – 400063
(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 April 27, 2018 (received at the Reserve Bank of India on May 03, 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 (iii) delay in filing 'Annual Return on Foreign Liabilities and Assets' (FLA Returns), in terms of paragraphs 9 (1) (A), 9 (1) (B) and 9 (2) 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 October 13, 2010, under the Companies Act, 1956 as Webclipper Technologies Private Limited. Its main activities are (i) to carry on business of developing, installing, maintaining, storage of any form of data/documents including advanced data recovery capabilities that allow the customers to search/access various file types like music files, images, video clips, documents, mail etc and integrating software with hardware, and to provide services, products, solutions for commercial or other purposes, including providing SaaS (software as a service model); web designing, hosting and development; testing of hardware & software & software components/systems; export, import of hardware and software; to provide complete business solution through e-commerce and online marketing. (ii) To carry on business of training, consultancy and research in the area of computer, internet and mobile software, hardware, information technology, data entry and processing, business process outsourcing, offshore development, webservices, ITES services, training and manpower resources.



3. The applicant received foreign inward remittances from Zarina Yar Khan, UAE; Proventus International Ltd., Singapore; Fresco International Ltd., Hong Kong; Sadeesh Raghavan, Singapore; GTI Capital Holdings Pvt. Ltd., Mauritius; Capillary Technologies International Pte Ltd., Singapore; Factory Ventures Ltd., Mauritius & Social Capital CaaS III Ltd., USA; towards equity / preference share capital and reported the same to the Reserve Bank of India as indicated in the table.

Sr. No.	Amount received In INR	Date of receipt	Date of reporting	Delay
1	2,50,000.00	17-06-2011	13-07-2011	No
2	2,74,226.00	20-06-2011	13-07-2011	No
3	2,22,500.00	20-07-2011	02-12-2011	0Y 3M 13D
4	2,50,000.00	19-10-2011	16-01-2012	0Y 1M 28D
5	2,22,500.00	11-10-2011	12-12-2011	0Y 1M 1D
6	3,15,600.00	30-12-2011	16-01-2012	No
7	2,50,00,200.00	11-07-2012	24-07-2012	No
8	2,25,00,000.00	22-07-2014	13-08-2014	No
9	1,12,50,000.00	23-07-2014	13-08-2014	No
10	2,00,00,000.00	20-01-2016	01-02-2016	No
11	1,00,14,200.00	22-03-2016	01-04-2016	No
12	65,24,890.61	27-12-2017	17-01-2018	No
Total	9,68,24,116.61			

The applicant reported receipt of remittances to the Reserve Bank of India with a delay ranging from 01 Month 01 Day to 03 Months 13 Days, approximately, in respect of remittances listed at serial no. 03 to 05 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/preference shares/convertible preference shares and filed FC-GPR 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	124	10	1784.35	2,22,499.40	12-08-2011	17-05-2012	0Y 8M 5D
2	155	10	1759.20	2,74,226.00	11-08-2011	19-03-2012	0Y 6M 7D
3	139	10	1788.56	2,49,999.84	13-08-2011	17-05-2012	0Y 8M 4D
4	139	10	1788.56	2,49,999.84	11-01-2012	19-03-2012	0Y 1M 7D
5	124	10	1784.35	2,22,499.40	11-01-2012	19-03-2012	0Y 1M 7D
6	154	10	1790.18	2,77,227.72	11-01-2012	19-03-2012	0Y 1M 7D
7	10	10	10190.00	1,02,000.00	11-07-2012	09-08-2012	No
8	2441	10	10190.00	2,48,98,200.00	11-07-2012	09-08-2012	No
9	22500	1000	0.00	2,25,00,000.00	14-08-2014	02-09-2014	No
10	11250	1000	0.00	1,12,50,000.00	14-08-2014	02-09-2014	No
11	336	59400	0.00	1,99,58,400.0	25-01-2016	23-02-2016	No
12	122	82083	0.00	1,00,14,126.00	23-03-2016	21-04-2016	No
13	106481	10	0.00	10,64,810.00	21-02-2017	23-03-2017	No
14	137669	10	0.00	13,76,690.00	21-02-2017	23-03-2017	No
15	13987	10	0.00	1,39,870.00	21-02-2017	23-03-2017	No
16	19514	10	0.00	1,95,140.00	21-02-2017	23-03-2017	No
17	9080	10	0.00	90,800.00	21-02-2017	23-03-2017	No
18	5131	10	1258.24	65,07,339.44	02-01-2018	31-01-2018	No
			Total	9,95,93,827.64			

The applicant filed form FC-GPR as indicated at serial No. 01 to 06 above with a delay ranging from 01 Month 07 Days to 08 Months 05 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 company has not filed the Annual Return on Foreign Liabilities and Assets (FLA return) to the Reserve Bank of India for the Financial Year 2014-15 and FLA return for the Financial Year 2015-16 was not filed on or before July 15. Whereas, in terms of Paragraph 9(2) of Schedule 1 to Notification No. FEMA 20/2000-RB read with A. P. (DIR Series) Circular No. 29 dated February 02, 2017, all Indian companies which have received Foreign Direct Investment in the previous years including the current year, shall submit to the Reserve Bank of India, on or before the 15th day of July each year, a report titled 'Annual Return on Foreign Liabilities and Assets' as specified by the Reserve Bank from time to time.

6. The applicant was given an opportunity for personal hearing vide e-mail dated August 24 2018, for further submission in person and/or producing documents, if any, in support of the application. The applicant appeared for the personal hearing on August 29, 2018, during which Shri. Avlesh Singh, Director; Shri Ashwin Bhat D, Legal Counsel and Shri Dinesh R Kumavat, Sr. Manager- Finance, represented the applicant in the cabin of Smt. S. M. Shirke, Deputy General Manager, Mumbai Regional Office. The representatives of the applicant admitted the contraventions for which compounding has been sought. During the personal hearing, it was submitted that the delay was inadvertent and unintentional. They requested that in view thereof, the matter may be viewed leniently. 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.

7. I have given my careful consideration to the documents on record and submissions made by the applicant during the personal hearing and thereafter. 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.6,95,000.00 (Rupees Six Lakh Ninety-Five Thousand Only) and the delay ranging from 01 Month 01 Day to 03 Months 13 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.14,96,452.20 (Rupees Fourteen Lakh Ninety-Six Thousand Four Hundred Fifty-Two and Twenty Paise Only) and the delay ranging from 01 Month 07 Days to 08 Months 05 Days, approximately.

(c) Paragraph 9 (2) of Schedule 1 to Notification No. FEMA 20/2000-RB due to non-filing of Annual Return on Foreign Liabilities and Assets (FLA) for the Financial Year 2014-15 and delayed filing of FLA return for the Financial Year 2015-16.

8. It has been declared in the compounding application dated April 27, 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 April 27, 2018, 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.

9. 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 circumstances of the case as stated in the foregoing paragraphs, I am persuaded to



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take a lenient view on the amount for which the contraventions are to be compounded and I consider that an amount of Rs.43,260/- (Rupees Forty Three Thousand Two Hundred Sixty Only) will meet the ends of justice.

10. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9(1) (A), 9(1) (B) and 9 (2) 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.43,260/- (Rupees Forty Three Thousand Two Hundred Sixty 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.

11. The above order is passed only in respect of contraventions of para 9(1)(A), 9(1)(B) and 9(2) 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: September 17, 2018.

Compounding Authority

Sd/-
(S M Shirke)
Deputy General Manager