



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. G. P. Borah
Chief General Manager

Date: August 24, 2017

C.A. No. 690/2017

In the matter of

M/s Goqii Technologies Pvt Ltd
702, Sai Samarth Business Park
Govandi, Mumbai 400 088

(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 there under, I pass the following

Order

1. The applicant has filed the compounding application dated April 13, 2017 (received at the Reserve Bank on April 17, 2017) 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 and 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 10, 2013 under the Companies Act, 1956 and is engaged in the business of developing codes or software that assist gadgets and instruments to monitor, provide information in relation to human health with regards to various organs of human body and surrounding environment; design, maintain and update website for such products and carry out, organise, manage global fitness programmes with the help of specialist and professional as well as provide back office services to its clients . The applicant received foreign inward remittance from M/s. Goqii INC, USA towards equity/preference share capital and reported the same to the Reserve Bank as indicated below.

No	Amount in Rs.	Date of receipt	Date of Reporting
1	99,990	23.10.2013	31.12.2013
2	11,05,770	23.10.2013	26.11.2013
3	15,59,252	29.11.2013	31.12.2013
4	30,86,515	17.12.2013	31.12.2013
5	14,82,264	28.02.2014	18.07.2014
6	15,25,479	07.03.2014	18.07.2014
7	29,77,009	13.05.2014	11.09.2014
8	14,67,275	31.05.2014	18.07.2014
9	59,93,801	20.06.2014	18.07.2014
10	60,10,610	05.08.2014	12.08.2014
11	59,991	05.08.2014	01.11.2014
12	60,16,796	08.09.2014	11.09.2014
13	60,73,785	25.09.2014	16.10.2014
14	13,07,745	14.10.2014	16.10.2014
15	61,18,776	31.10.2014	18.11.2014
16	14,79,566	28.11.2014	28.11.2014
17	14,14,419	05.12.2014	16.12.2014
18	62,93,741	20.12.2014	01.01.2015
19	15,26,278	28.01.2015	13.02.2015
20	15,39,517	02.02.2015	13.02.2015
21	14,10,053	03.02.2015	13.02.2015
22	15,45,600	09.02.2015	20.02.2015
23	61,78,764	14.02.2015	20.02.2015



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24	93,43,754	09.03.2015	04.04.2015
25	12,31,737	13.04.2015	05.05.2015
26	15,63,049	24.04.2015	05.05.2015
27	15,20,392	28.04.2015	05.05.2015
28	63,23,735	30.04.2015	21.05.2015
29	15,85,318	20.05.2015	16.06.2015
30	15,70,618	01.06.2015	20.06.2015
31	15,74,514	02.06.2015	20.06.2015
32	15,76,350	10.06.2015	20.06.2015
33	15,64,135	03.07.2015	15.07.2015
34	15,66,796	16.07.2015	27.07.2015
35	38,00,813	22.07.2015	27.07.2015
36	15,72,713	23.07.2015	27.07.2015
37	64,58,000	13.08.2015	17.08.2015
38	32,87,500	18.09.2015	23.09.2015
39	32,85,528	18.09.2015	23.09.2015
40	46,15,221	28.09.2015	12.10.2015
41	16,47,021	28.09.2015	12.10.2015
42	16,47,021	29.09.2015	12.10.2015
43	7,13,851	07.10.2015	23.10.2015
44	32,37,325	10.10.2015	03.11.2015
45	2,91,71,250	23.10.2015	03.11.2015
46	32,41,250	03.10.2015	06.11.2015
47	3,30,00,000	19.11.2015	08.12.2015
48	3,30,00,000	20.11.2015	08.12.2015
49	3,31,28,205	22.04.2016	18.05.2016
50	34,59,170	22.04.2016	19.05.2016
51	33,040	22.04.2016	19.05.2016
52	2,99,35,125	22.04.2016	31.05.2016
53	3,35,85,000	21.07.2016	28.07.2016
54	67,09,000	31.08.2016	24.10.2016
55	3,01,90,500	31.08.2016	24.10.2016
56	3,01,90,500	31.08.2016	22.09.2016
57	3,38,62,432	28.12.2016	27.01.2017
58	65,01,000	29.03.2017	28.04.2017
59	1,93,89,000	17.04.2017	17.05.2017
60	1,94,10,000	26.05.2017	25.06.2017
61	1,92,78,000	16.06.2017	16.07.2017
Total	49,00,41,859		



The applicant reported receipt of remittances to the Reserve Bank on dates indicated above and with a delay of 10 days to 3 months 21 days approximately beyond the stipulated time of 30 days in respect of remittances recorded at serial no. 1, 5 to 8, 11, 52 and 54 to 55 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 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.

3. The company allotted equity shares/preference shares/convertible preference shares and filed FC-GPRs as indicated below:

No	No. of Shares	Amount involved	Date of Allotment	Date of filling
1	9,999	99,990	10.03.2014	28.03.2014
2	2,100	87,65,400	17.04.2014	16.05.2014
3	2,501	1,04,39,174	01.07.2014	31.07.2014
4	4,351	1,81,61,074	10.10.2014	06.02.2015
5	3,020	1,66,10,000	22.12.2014	25.02.2015
6	3,917	2,15,43,500	28.03.2015	18.06.2015
7	3,081	1,69,45,500	11.06.2015	09.09.2015
8	2,720	1,49,60,000	22.08.2015	23.11.2015
9	8,655	4,76,02,500	04.11.2015	23.11.2015
10	6,589	3,62,39,500	22.12.2015	22.12.2015
11	6,000	3,30,00,000	16.01.2016	15.02.2016
12	10,529	6,65,53,809	15.06.2016	08.07.2016
13	5,313	3,35,83,473	27.07.2016	17.08.2016
14	10,613	6,70,84,773	21.09.2016	03.10.2016
15	5357	3,38,61,597	06.01.2017	01.02.2017
16	4095	2,58,84,495	19.04.2017	18.05.2017
17	3071	1,94,11,791	29.05.2017	24.06.2017
18	3050	1,92,79,050	20.06.2017	13.07.2017
Total		49,00,25,626		

The applicant filed form FC-GPRs as indicated above with a delay ranging from 1 month 4 days to 2 months 28 days approximately beyond the prescribed limit in respect of allotments indicated at sr no. 4 to 8 above. 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.

4. The applicant was given an opportunity for personal hearing vide e-mail dated July 12, 2017 for further submission in person and/or for producing documents, if any, in support of the application. The applicant appeared for personal hearing on July 17, 2017 during which Ms Sreyashi Chakraborty (Financial Controller) and Mr. Dixit Gandhi (AM-Finance) represented the applicant in the cabin of Shri G.P. Borah, Chief General Manager, Mumbai Regional Office. The representatives of the applicant admitted the contraventions for which compounding has been sought and submitted that the delay was inadvertent and unintentional. However, during the hearing the representatives presented documents evidencing the timely submission of stipulated documents to the Authorised Dealers in terms of paragraph 9(1) (A) of Schedule 1 to Notification No. FEMA 20/2000-RB. The representatives of the applicant requested that in view of the foregoing a lenient view may be taken in disposal of the application. The application for compounding is therefore, being considered leniently on the basis of the averments made in the application as well as other documents and submissions made in this context by the applicant during personal hearing and thereafter.

5. 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 remittance towards subscription towards shares as detailed in paragraph 2 above. The contravention relates to an amount of Rs.7,44,46,633 /- with a delay ranging from 10 days to 3 months 21 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 after issue of shares to persons resident outside India and the contravention relates to an amount of Rs. 8,82,20,074/- with a delay ranging from 1 month 4 days to 2 months 28 days 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. However, taking into account the relevant facts and 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. 60,500/- (Rupees Sixty Thousand Five Hundred only) will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraph 9(1)(A) and 9(1)(B) of Schedule 1 to Notification No. FEMA 20/2000-RB by the applicant on the facts discussed above in terms of the Foreign Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount of Rs. 60,500/- (Rupees Sixty Thousand Five Hundred 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.



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8. The above order is passed only in respect of contraventions of paragraph 9(1) (A) and 9(1)(B) of Schedule I 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 August 24, 2017.

Compounding Authority

Sd/-

(G. P. Borah)
Chief General Manager