



In the

**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
Secretariat Road  
Saifabad, Hyderabad 500 004

Present

R Subramanian  
Regional Director

Date: June 07, 2018  
C.A. HYD 298

In the matter of

M/s. Mysmartprice Web Technology Private Limited  
4th Floor, GNR's RV Insignia  
Image Garden Road, Silicon Valley  
Madhapur, Hyderabad - 500 081

**(Applicant)**

In exercise of the powers conferred under Section 15 (1) of Foreign Exchange Management Act, 1999 and the Regulations/ Rules/ Notifications/ Orders made there under, I pass the following

**Order**

The applicant has submitted the compounding application dated March 16, 2018 received by us on March 21, 2018 for compounding of contraventions of the provision of the Foreign Exchange Management Act, 1999 (FEMA) and the regulations issued there under. The contraventions sought to be compounded are (i) delay in reporting of receipt of foreign inward remittances towards subscription of equity and (ii) delay in submission of Form FCGPR to the Reserve Bank after issue of shares to a person resident outside India in terms of Paragraph 9(1)(A) and Paragraph 9(1)(B) 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 3rd May 2000 (herein after referred to as Notification no. FEMA 20/2000-RB) as then applicable.

2. The relevant facts of the case are as follows:

- a) The applicant is a resident company incorporated as Private Limited Company under the Companies Act, 1956 on July 14, 2011 (CIN:U72900TG2011PTC075505). The company is engaged in the business of design and development of websites, to sell the advertisement space on website, referrals to the affiliate websites.
- b) The applicant had received foreign inward remittances from the following foreign investors as indicated below:

Sl No	Name of Remitter	Amount (INR)	Date of Receipt	Date of Reporting
1	Helion Venture Partners II LLC	9999500	25.10.2011	23.11.2011
2	Accel India III (Mauritius ) Ltd	9999990	14.05.2012	19.06.2012
3	Helion Venture Partners II LLC	30000159	06.12.2013	09.01.2014
4	Accel India III (Mauritius ) Ltd	30000159	09.12.2013	09.01.2014
5	Helion Venture Partners II LLC	132433869.55	18.06.2015	16.07.2015
6	Accel India III (Mauritius ) Ltd	121556597	19.06.2015	16.07.2015
7	Accel Growth III Holdings (Mauritius) Ltd	380992559	23.06.2015	16.07.2015
<b>Total</b>		<b>71,49,82,833.55</b>		

The applicant reported receipt of remittances towards share subscription amounting to ₹ 71,49,82,833.55/- to the Regional Office of Reserve Bank of India, out of which remittances amounting to ₹ 7,00,00,308/- were reported with a delay ranging from 1



day to 6 days approximately as indicated 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.

c) The company allotted equity shares and filed form FC-GPRs as indicated below:

Sl No	Name of investor	Date of allotment of shares	Number of shares/CCPS S allotted	Amount for which shares allotted (INR)	Date of Reporting
1	Helion Venture Partners II LLC	07.11.2011	28570 (CCPS)	9999500	04.04.2012
2	Accel India III (Mauritius ) Ltd	21.05.2012	15873 (CCPS)	9999990	25.09.2012
3	Helion Venture Partners II LLC	06.01.2014	13227 (CCPS)	30000159	18.04.2015
	Accel India III (Mauritius ) Ltd		13227 (CCPS)	30000159	
4	Helion Venture Partners II LLC	23.06.2015	9655 (CCPS)	132433869.55	06.12.2016
	Accel India III (Mauritius ) Ltd		8862 (CCPS)	121556597	
	Accel Growth III Holdings(Mauritius) Ltd		100 (Equity)	380992559	
	Accel Growth III Holdings(Mauritius) Ltd		27676 (CCPS)		
<b>Total</b>				<b>71,49,82,833.55</b>	

The applicant filed form FCGPRs for the allotment of shares amounting to ₹ 71,49,82,833.55/- as indicated above, which were reported with a delay ranging from 3 months 5 days to 1 year 4 months 14 days approximately beyond the



prescribed limit. 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 FCGPR along with documents prescribed therein within 30 days from the date of issue of shares to person resident outside India.

3. (a) The applicant was given an opportunity for personal hearing vide Reserve Bank's letter No. HY.FE.FID/2085/14.66.003/2017-18 dated May 28, 2018 for further submission in person and/or producing documents, if any, in support of the application.

(b) The applicant appeared for personal hearing on May 30, 2018 during which Shri. Sulakshan Kumar, Co-founder & CEO and Shri. Shaik Gouse, Company Secretary, represented the applicant. The authorized representatives of the applicant admitted the contraventions for which the compounding has been sought. During the personal hearing it was submitted that the delay was not wilful or with a malafide intention but was on account of inadvertence / oversight. In view of the foregoing, the representative of the applicant requested to take a lenient view in disposal of the application. The application for compounding is, therefore, being considered on the basis of the averments made in the application.

4. 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 for delay in reporting the receipt of consideration towards issue of shares amounting to ₹ 7,00,00,308/- and the delay ranges from 1 day to 6 days approximately.



(b) Paragraph 9(1)(B) of Schedule 1 to Notification No. 20/2000-RB for delay in submission of Form FC-GPR to Reserve Bank of India after issue of shares to persons resident outside India and the contravention relates to an amount of ₹ 71,49,82,833.55/- and the delay ranges from 3 months 5 days to 1 year 4 months 14 days approximately.

5. It has been declared in the compounding application dated March 16, 2018 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 dated April 23, 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 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.

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 contravention is to be compounded and I consider that an amount of ₹ 2,37,680/- (**Rupees Two Lakh Thirty Seven Thousand Six Hundred Eighty Only**) will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions, namely, the contraventions of Paragraph 9(1)(A) and Paragraph 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



Compounding of contraventions under FEMA 1999  
M/s Mysmartprice Web Technology Private Limited  
CA No. HYD 298

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Exchange (Compounding Proceedings) Rules, 2000 on payment of an amount **₹ 2,37,680/- (Rupees Two Lakh Thirty Seven Thousand Six Hundred Eighty Only)** which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 1st Floor, Saifabad, Hyderabad - 500004 by a demand draft drawn in favour of the "Reserve Bank of India" and payable at Hyderabad 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 07<sup>th</sup> day of June 2018

Sd/-

(R Subramanian)  
Regional Director