



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: November 06, 2018**

**C.A. No. 787/2018**

In the matter of

**Haida Technologies Private Limited**  
Flat No. 1206/ Panchavati –B, Panchshristi Complex  
Chandivali Road, Near S M Shetty School  
Andheri (E), Mumbai- 400072  
**(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 August 14, 2018, (received at the Reserve Bank of India on August 21, 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 23, 2017, under the Companies Act, 2013 as Haida Technologies Private Limited. Its main activities are to carry on the business of developing, creating, making, building and licensing customer facing web and mobile technologies, applications using artificial intelligence and big data analytics for various sectors.

3. The applicant received foreign inward remittances from Mayank Chamadia, United States of America; Gaurav Sultania, United States of America; Koala Holdings GMBH, Germany; Nilesh Kalamkar, United States of America; Oliver Schulze TR UAD, United States of America; Policen Direkt GMBH, Germany; Six Twenty Invest GMBH, Germany; Smitha Cheruku, United States of America; Sudhir Chiluveru, United States of America; Jang Capital LLC, United States of America towards equity / Compulsorily Convertible Preference Shares / Compulsorily Convertible Debentures 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	12,63,944.79	17-04-2017	11-08-2017	2M 25D
2	15,75,500.00	26-04-2017	11-08-2017	2M 16D
3	15,74,050.54	26-04-2017	11-08-2017	2M 16D
4	15,79,750.00	02-05-2017	11-08-2017	2M 10D
5	6,34,000.00	05-06-2017	11-08-2017	1M 7D
6	15,81,750.00	06-05-2017	10-08-2017	2M 5D
7	3,17,500.00	22-05-2017	10-08-2017	1M 19D
8	12,66,478.40	07-06-2017	10-08-2017	1M 4D
9	15,88,750.00	22-06-2017	10-08-2017	19D
10	73,19,796.77	13-09-2017	07-10-2017	No
Total	1,87,01,520.50			



The applicant reported receipt of remittances to the Reserve Bank of India with a delay ranging from 19 Days to 2 Months 25 Days, approximately, in respect of remittances listed at serial no. 1 to 9 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 compulsorily convertible debentures or compulsorily convertible preference shares 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	53536	10	90	53,53,600.00	26-06-2017	01-09-2017	1M 7D
2	59821	10	90	59,82,100.00	26-06-2017	01-09-2017	1M 7D
3	73197	10	90	73,19,700.00	18-09-2017	18-12-2017	2M
			Total	1,86,55,400.00			

The applicant filed form FC-GPR as indicated at serial No. 1 to 3 above with a delay ranging from 1 Month 7 Days to 2 Months, 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 was given an opportunity for personal hearing vide e-mail dated October 30, 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 October 31, 2018, during which Shri Sushant Reddy, Director of the applicant company, represented the applicant in the cabin of Shri J. K. Pandey, Chief 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.

6. 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 shares as detailed in paragraph no. 3 above. The contravention relates to an amount of Rs.1,13,81,723.73 (Rupees One Crore Thirteen Lakh Eighty One Thousand Seven Hundred Twenty Three and Seventy Three Paise Only) and the delay ranges from 19 Days to 2 Months 25 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.1,86,55,400.00 (Rupees One Crore Eighty Six Lakh Fifty Five Thousand Four Hundred Only) and the delay ranges from 1 Month 7 Days to 2 Months, approximately.

7. It has been declared in the compounding application dated August 14, 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, 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



**FED, MRO, CEFA  
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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 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.27,660/- (Rupees Twenty Seven Thousand Six Hundred Sixty 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.27,660/- (Rupees Twenty Seven Thousand Six 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.



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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: November 06, 2018.

**Compounding Authority**

**Sd/-**

**(J. K. Pandey)**

Chief General Manager