



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

J. K. Pandey
Chief General Manager

Date: June 21, 2018

C.A. No. 746/2018

In the matter of

O.L.C.I. Engineering India Private Limited
Office No. 14, Soham Complex
D.P. Road, Aundh
Pune, Maharashtra – 411 007

(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 February 19, 2018 (received at the Reserve Bank of India on February 26, 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 June 11, 2015 under the Companies Act, 2013 as O.L.C.I. Engineering India Private Limited. Its main activities are (1) to carry on the business of conceptualization, designing, manufacturing, technical assistance, marketing, commercialization, sale, distribution, importing exporting, improving, engineering, assembling, servicing, repairing and otherwise dealing in welding and assembly technology in its entire spectrum with its main utilization in all major subgroups constituting the bodies of automobile vehicles and railway and aerospace machines, aero planes and aquatic, sea based vehicles and as ships and vessels and to provide all forms of integrated technological solutions, services in the field of robotics systems, engineering activities from process engineering through editing of customers technical specification, development of software and hardware with main emphasis in the robotics programming mainly used in welding technology including 3D measurement systems and certification of the fixtures and mapping and reporting of issues and troubleshooting measures in India and abroad. (2) to carry on the business of buying, selling, reselling, sub-contracting, agency, exchanging, hiring, altering, importing, exporting, improving, assembling, distributing, servicing, repairing and dealing in as original equipment manufacturers, jobbing industry basis, ancillary unit and in any other capacity, systems table top, roller hemming and related equipments in particular Framing stations, Geometric fixtures, Roller tables, Conveyors, Scissors lift, Jigs, Pneumatic trunnions, Geometric grippers, Hemming fixtures, Laser welding cells and every other related machineries, component parts, replacement parts, spare parts, accessories tools, implements and fittings.

3. The applicant received foreign inward remittances from O.L.C.I. Engineering S.r.l., Italy and Simest S.P.A., Italy 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
1	6,271.20	07-07-2015	23-07-2015
2	1,74,61,211.00	08-07-2015	23-07-2015
3	1,78,23,930.00	17-12-2015	05-01-2016
4	1,45,74,906.80	20-01-2016	21-03-2016
5	4,45,18,887.00	05-02-2016	05-03-2016
6	3,71,20,000.00	12-04-2016	17-08-2016
7	4,33,75,300.50	21-10-2016	08-11-2016
8	4,33,15,307.00	13-10-2016	08-11-2016
9	7,95,00,000.00	02-02-2018	16-02-2018
Total	29,76,95,813.50		

The applicant reported receipt of remittances to the Reserve Bank of India with a delay ranging from 1 Month to 3 Months 6 Days approximately, in respect of remittances from serial no. 4 and 6 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	Amount in INR	Date of allotment	Date of Reporting
1	10000	10	1,00,000.00	03-08-2015	27-08-2015
2	1736748	10	1,73,67,480.00	11-08-2015	21-09-2015
3	1782393	10	1,78,23,930.00	16-01-2016	25-03-2016
4	5909379	10	5,90,93,790.00	26-02-2016	27-09-2016
5	3712000	10	3,71,20,000.00	27-04-2016	27-09-2016
6	8669060	10	8,66,90,600.00	12-12-2016	26-09-2017
7	7800000	10	7,80,00,000.00	09-02-2018	07-03-2018
		Total	29,61,95,800.00		



The applicant filed form FC-GPR as indicated at serial No. 2 to 6 above with a delay ranging from 11 Days to 8 Months 15 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 was given an opportunity for personal hearing vide e-mail dated June 5, 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 June 7, 2018, during which Shri Antonio Strafallaci, Managing Director; Shri George N. Antony, Ex. Director & Head Legal Department and Shri. Malay V. Damania, Consultant 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 equity as detailed in paragraph no. 3 above. The contravention relates to an amount of Rs.5,16,94,906.80 (Rupees Five Crore Sixteen Lakh Ninety Four Thousand Nine Hundred Six and Eighty Paise only) and the delay ranging from 1 Month to 3 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 indicated in para 4 above. The contravention relates to an amount of Rs.21,80,95,800.00 (Rupees Twenty One Crore Eighty Lakh Ninety Five Thousand Eight Hundred only) and the delay of 11 Days to 8 Months 15 Days approximately.

7. It has been declared in the compounding application dated February 19, 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 nil, 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 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.1,40,500/- (Rupees One Lakh Forty Thousand Five Hundred 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



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O.L.C.I. Engineering India Private Limited
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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.1,40,500/- (Rupees One Lakh Forty 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.

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: June 21, 2018.

Compounding Authority

Sd/-

(J. K. Pandey)
Chief General Manager