



In the

**RESERVE BANK OF INDIA**  
Foreign Exchange Department  
11th floor, Central Office Building  
Shahid Bhagat Singh Road  
Mumbai - 400 001

Present

**Shekhar Bhatnagar**  
**Chief General Manager**

Date: July 19, 2017  
C.A. 4348/2017

In the matter of

**Optel Vision India Private Limited**  
**Plot No. N-6, Ph-IV, Verna Industrial Estate**  
**Verna 403 722, Goa**

**(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**

The applicant has filed a compounding application dated April 05, 2017 (received at Reserve Bank of India on April 17, 2017) for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999 (the FEMA) and the regulations issued there under. The contraventions sought to be compounded are (i) delay in reporting foreign inward remittances and; (ii) delay in reporting allotment of shares after receipt of the funds in contravention of paragraphs 9(1)(A) and 9(1)(B) respectively of Schedule I 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 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: Optel Vision India Private Limited (OVIPL), the applicant, was incorporated on October 27, 2015 under the Companies Act, 2013 (CIN U74999GA2015FTC007750). The applicant is engaged



in the business of manufacture of packaging inspection and serialization systems, deals in hardware, software, technology and integration. OVIPL received the following foreign inward remittances amounting to Rs.4,00,32,310/- in 2016 from its holding company in Quebec, Canada namely, Optel Vision INC, towards share subscription:-

**Table A**

Sr.No	Name of remitter	Date of remittance received	Amount in INR	Date of reporting to RBI
1	Optel Vision INC	13-10-2016	9,90,000	22-11-2016
2		13-10-2016	3,87,12,960	22-11-2016
3		26-10-2016	3,29,350	10-12-2016
		<b>Total</b>	<b>4,00,32,310</b>	

OVIPL received foreign investment of Rs.4,00,32,310/- in the month of October 2016 and has reported the receipt of foreign inward remittances with delay ranging from 9 days to 14 days approximately as given above. The delay was in contravention of Paragraph 9(1)(A) of Schedule 1 to FEMA 20/2000-RB.

OVIPL allotted equity shares to the non-resident investors as under:-

**Table B**

Sr.No	Name of Investor	Date of allotment of shares	Amount (INR) for which shares allotted	Date of reporting to RBI	No. of shares allotted
1	Optel Vision INC	07-11-2016	9,99,990	14-12-2016	99,999
2	Mr. Louis Roy	07-11-2016	10	14-12-2016	1
3	Optel Vision INC	14-11-2016	3,90,00,000	10-12-2016	39,00,000
		<b>Total</b>	<b>4,00,00,000</b>		<b>40,00,000</b>

OVIPL reported the allotment of equity shares in Form FC-GPR amounting to Rs.4,00,00,000/-, out of which allotment of shares amounting to Rs.10,00,000/- was reported with delay of seven days approximately. The delay was in contravention of Paragraph 9(1)(B) of Schedule 1 to FEMA 20/2000-RB. The excess share application money amounting to Rs.32,310/- (USD 477.11) was refunded by OVIPL on February 10, 2017. RBI vide letter



FE.PNJ.783/02.01.967/2016-17 dated March 31, 2017 advised the applicant of the above contraventions.

3. During the course of its operations, OVIPL committed the following contraventions of FEMA provisions as laid down under Notification No. FEMA 20/2000-RB as amended:-

3.1 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.

OVIPL has reported the inward remittances beyond the prescribed period in 3 instances as per the details given in Table A above thereby contravening the said FEMA provision. The amount of contravention was Rs.4,00,32,310/- and the period of contravention ranges 9 days to 14 days approximately.

3.2 Whereas in terms of Paragraph 9(1)(B) of Schedule I 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.

OVIPL reported the allotment of shares in Form FC-GPR beyond the prescribed period in two instances as per the details given in Table B above thereby contravening the said FEMA provision. The amount of contravention was Rs.10,00,000/- and the period of contravention was seven days approximately.

4. The applicant was given an opportunity for personal hearing vide the Reserve Bank's letter No. FE.CO.CEFA/130/15.20.67/2017-18 dated July 06, 2017 for further submission in person and/or producing documents, if any, in support of the application. Shri Ashish Timble, Commercial Manager, OVIPL along with Ms. Meenakshi Potdar, consultant represented the applicant during the personal hearing held on July 19, 2017. The representatives of the applicant admitted the



contraventions for which compounding has been sought and submitted that the delay was inadvertent and unintentional. They further informed that the delay was due to some technical errors in the system. 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.

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 FEMA provisions issued in terms of Paragraphs 9(1)(A) and 9(1)(B) of Schedule I to Notification No. FEMA 20/2000-RB as per the details given at paragraphs 2 and 3 above.

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.24,417/- (Rupees twenty four thousand four hundred and seventeen only) will meet the ends of justice.

7. Accordingly, I compound the admitted contraventions namely, the contraventions of paragraphs 9(1)(A) and 9(1)(B) of Schedule I 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.24,417/- (Rupees twenty four thousand four hundred and seventeen only) which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 5<sup>th</sup> Floor, Amar Building, Fort, Mumbai – 400 001 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.



The application is disposed of accordingly.

Dated this the nineteenth day of July, 2017.

Sd/-

**(Shekhar Bhatnagar)**  
**Chief General Manager**