



In the
Reserve Bank of India
10/3/8, Nrupathunga Road,
Bengaluru-560001

Present

Anup Kumar
General Manager

Date: July 11, 2017
C.A. BGL 213/2017

In the matter of

M/s Vios Medical India Private Limited
CA site No. 1, Global Incubation Services
HAL 3rd Stage, Kodihalli
Bengaluru 560008
(Applicant)

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

Order

The applicant has filed a compounding application dated February 14, 2017, received on March 02, 2017, for compounding of contraventions of the provisions of the Foreign Exchange Management Act, 1999, (the FEMA) and the Regulations issued there under. The contravention sought to be compounded is delay in reporting receipt of foreign inward remittances towards subscription to equity in terms of paragraph 9(1) (A) 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 May 03, 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, M/s Vios Medical India Private Limited, was incorporated on September 03, 2013, under the Companies Act, 1956. The activity undertaken by the company is “to carry on the business of developing innovative healthcare solutions, engineering development and clinical validation of technologies etc”. The applicant had received funds



towards share application money from foreign investor, namely, M/s Vios Medical INC, USA, as shown below:

Sr. No.	Date of Receipt	Total Amount (INR)	Date of Reporting
1	25.11.13	1,00,000.00	17.01.14
2	28.03.14	6,00,000.00	27.06.14
3	30.04.14	30,00,000.00	27.06.14
4	08.05.14	30,00,000.00	27.06.14
5	02.03.15	90,36,335.70	26.03.15
6	08.04.15	60,27,580.00	08.05.15
	Total	2,17,63,915.70	

The applicant reported receipt of remittances to the Reserve Bank / Authorized Dealer Bank with a delay ranging from twenty days to two months and one day approximately, beyond the stipulated time of 30 days in respect of remittances indicated above at Sr. Nos. 1 to 4. Whereas, in terms of paragraph 9(1) (A) of Schedule I 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 applicant was given an opportunity for personal hearing, vide the Reserve Bank's letter FE.BG.FID (CEFA) No.2/22.08.829/2017-18 dated July 03, 2017, for further submission in person and/or producing documents, if any, in support of the application. The applicant appeared for the personal hearing on



July 11, 2017. Shri Ganesh Subramaniam, Director, represented the applicant. The authorized representative of the applicant admitted the contraventions as stated in paragraph 2 above committed by the applicant, for which compounding has been sought. The representative of the applicant requested that as the contraventions were not intentional and were beyond the control of the applicant, a lenient view may be taken in disposal of the application. 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 made in this context by the applicant during personal hearing and thereafter.

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 I to Notification No. FEMA 20/2000-RB due to delay in reporting of foreign inward remittances received towards subscription to equity as detailed in paragraph 2 above. The contravention relates to an amount of **Rs.67,00,000.00** and the period of delay ranges from twenty days to two months and one day, approximately.

5. 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 are to be compounded and I consider that an amount of **Rs. 10,790.00 (Rupees Ten Thousand Seven Hundred and Ninety only)** will meet the ends of justice.

6. Accordingly, I compound the admitted contravention namely, contraventions of Paragraph 9(1) (A) of Schedule I 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. 10,790.00 (Rupees Ten Thousand Seven Hundred and Ninety only)**, which shall be deposited by the applicant with the Reserve Bank of India, Foreign Exchange Department, 2nd Floor, 10/3/8, Nrupathunga Road,



Bengaluru - 560001 by a demand draft drawn in favour of the “Reserve Bank of India” and payable at Bengaluru 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 eleventh day of July, 2017.

Sd/-

(Anup Kumar)
General Manager