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CA Satish Agarwal
9/14, (First Floor),
East Patel Nagar,
New Delhi - 110008
*Phone: Office +**911141412139***
*Mobile +**919811081957***
*Official Mail address: **satishagarwal307@yahoo.com***
*Website: **www.femainindia.com***

DARSHAN MALA SERIES (DMS)

***21** Frequently Asked Questions (**FAQs**) on RBI ➔ED FEMA matters for adjudications, NOCs and Compounding. The DMS presents weekly updates based on publicly available information*

The Series covers matters reported in the public domain concerning exclusive and/or designated Special Courts, proceedings before such Courts, and proceedings adjudicating/ NOCs and RBI's Compounding

The Darshan Mala Series has been initiated with inspiration from the vision of the Hon'ble Prime Minister of India to promote greater public awareness and informed discussion on matters relating to governance, accountability, transparency, administration, enforcement, and the functioning of the justice delivery system.

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The contents of this Series have been compiled exclusively from information available in the public domain, including official statements, court records, judicial orders, government publications, media reports, and other publicly accessible sources.

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21 FAQs on RBI➔ED FEMA matters for adjudications, NOCs and Compounding

INDEX

S.No	Topics	Page No.
1.	What is RBI➔ ED FEMA matters for adjudications, NOCs and Compounding	3
2.	Whether RBI is publishing a consolidated list of 100% references made to ED?	3
3.	What is scale of ED's activities under FEMA, 1999?	3 & 4
4.	What is flow chart for RBI➔ ED adjudications, NOCs and Compounding?	4
5.	What are 11 important matters to be referred by RBI to ED for issuing NOC?	4 & 5
6.	What are 5 important matters already referred by RBI to ED for issuing NOC?	5
7.	What is latest important search conducted by the ED under FEMA, 1999?	6
8.	Who are entities/persons in the list of references made to ED by RBI?	6 & 7
9.	What is Janapriya Townships for adjudications, NOCs and Compounding?	7 & 8
10.	What is Nearbuy India for adjudications, NOCs and Compounding?	8
11.	What is Genpact India for adjudications, NOCs and Compounding?	8
12.	What is Elsteel Modular India for adjudications, NOCs and Compounding?	8
13.	What are Kakinada seaports for adjudications, NOCs and Compounding?	8 & 9
14.	What is Deccan Digital Networks for adjudications, NOCs and Compounding?	9
15.	What is Metrocorp Infrastructure for adjudications, NOCs and Compounding?	9
16.	What is Myntra matters for adjudications, NOCs and Compounding?	9 & 10
17.	What is Jusda India Supply Chain for adjudications, NOCs and Compounding?	10
18.	What are Apollo Hospitals for adjudications, NOCs and Compounding?	10
19.	What is Darshan Kiritbhai Shah for adjudications, NOCs and Compounding?	11
20.	What is Touras India for adjudications, NOCs and Compounding?	11
21.	What is Apothecon Pharma for adjudications, NOCs and Compounding?	11
•	What is FEMA contravention➔ RBI compounding and ED investigation?	11
	Author's Profile for 21 FAQs on RBI➔ED FEMA matters for adjudications, NOCs and Compounding	

21 FAQs on RBI➔ ED FEMA matters for adjudications, NOCs and Compounding

(Source of information's used in preparation of weekly updates are taken from public domain)

1. What is RBI➔ ED FEMA matters for adjudications, NOCs and Compounding?

(i) *The **FEMA**, 1999 **is** primarily **a civil legislation** and **Section 15 provides** a mechanism **for compounding** "eligible" **contraventions**.*

(ii) *The **ED says** that when the **contravention** is "eligible" **for compounding**, prescribed **conditions** are **fulfilled** and there is "no" **investigation** or other legal **impediment**, **ED** can **issue** an **NOC to** the **RBI**.*

(iii) *A **July** 2026 **report stated** that more than **150 FEMA cases** had been **terminated by** the **ED** in the preceding 15 months **and 45 cases compounded by** the **RBI** since Jan 2026 "after" **NOC from ED through RBI➔ ED** FEMA matters **for** adjudications, NOCs and **Compounding***

(iv) *We are **able to interpret 13 cases** as available in public domain **for RBI➔ ED** FEMA matters for adjudications, NOCs and **Compounding** therefore **unable to interpret** the "balance" **137 cases** (150-13)*

2. Whether RBI is publishing a consolidated list of 100% references made to ED?

No

(i) *We have the list below is the **publicly reported**/reliably traceable **matters,** "not" **necessarily** the complete **100% references** made to ED **by RBI**.*

(ii) *We have **gone through** the publicly available **ED press releases**, **RBI**-related **reports** and major legal/**news databases** for 2025 and 2026.*

3. What is scale of ED's activities under FEMA, 1999?

- *The Government's **2025–26 Annual Report records that**, between 1 April 2025 and 30 November 2025, **ED initiated 2,242 FEMA**, 1999 **investigations**, **issued***

***119** Show Cause Notices (**SCNs**), **adjudicated 49 cases**, and **imposed penalties for** INR **66.84 crore**.*

4. What is flow chart for RBI → ED adjudications, NOCs and Compounding?

*RBI **compliance**/regulatory **issue***

↓

*RBI **identifies** / receives information regarding **possible contravention***

↓

***Reference to** the **ED** when appropriate*

↓

***ED investigation** under **section 16** of FEMA, 1999*

↓

***ED complaint** / adjudication, when warranted*

↓

Person**/company may **apply** under **Section 15** of FEMA, 1999 **for compounding

↓

RBI refers** compounding **application to ED

↓

ED issue NOC**, when "eligible" **contravention** and **no impediment

↓

RBI issue** compounding **order "**after**" NOC from ED

↓

***Termination of** relevant **adjudication**/investigation*

5. What are 11 important matters to be referred by RBI to ED for issuing NOC?

*(i) When **delayed in** "FC-GPR" **reporting***

*(ii) When **delayed in** "foreign inward remittances" **reporting***

*(iii) When **delayed in** "APRs for ODI" **filling***

*(iv) When **made** "further ODI/commitments" **when earlier reporting** is **incomplete***

*(v) When **foreign investment**/share allotment "without" **required** Govt. **approval***

(vi) *When **transactions** involving entities/persons **from countries sharing** a land **border** with India*

(vii) *When **made unauthorised** "cross-border" **movement of funds***

(viii) *When **foreign assets**/investments **where ownership**, source or reporting is **questionable***

(ix) *When **complex structures** "involving" **overseas subsidiaries**, trusts, funds or related parties*

(x) *When Virtual Digital Asset (**VDA**)*

(xi) *When **crypto-related** cross-border **transfers***

6. What are 5 important matters already referred by RBI to ED for issuing NOC?

- *The cases reveal **5 major referral triggers**:*

(i) ***Foreign investment reporting defaults** by Janapriya, Kakinada, Deccan Digital and Apothecon:*

  (a) *Advance Remittance Form (**ARF**)*
  (b) *Foreign Currency – Gross Provisional Return (**FC-GPR**)*
  (c) *Foreign Currency-Transfer of Shares (**FC-TRS**)*
  (d) *Share allotment*
  (e) *Etc.*

(ii) *Overseas Direct Investment (**ODI**) **reporting defaults** by Myntra*

  - *Annual Performance Report (**APR**) **filling defaults**.*

(iii) *Foreign Investment **(FI) in prohibited**/restricted **sectors** by Apollo Hospitals*

(iv) *Foreign Investment (**FI**) **by entities** / persons located **in land-border countries** in Jusda*

(v) ***Legacy FEMA matters** already reaching adjudication by Genpact, Kakinada and Elsteel*

- *Several cases show that an **old** FEMA **complaint** can remain **alive for years** and later be **resolved through compounding**.*

7. What is latest important search conducted by the ED under FEMA, 1999?

- *The **ED conducted** under FEMA, 1999 **searches** in June 2026 **at 6 premises in Bengaluru against** alleged unauthorised cross-border **transfers using VDAs**, with bank accounts containing **for** INR **6 crore restrained** during the investigation*

8. Who are entities/persons in the list of references made to ED by RBI?

S.No.	Entity / Person	Public Reporting	Principal FEMA Issue	Amount in INR	Subsequent Development
(i)	**Janapriya Townships Pvt. Ltd.**	Dec. 2025	(i) **Delayed reporting of foreign inward remittance** (ii) **Delayed FC-GPR** (iii) **Delayed share issue/allotment**	64.66 cr + other amounts	**RBI has compounded with fine for INR 1.68 lac**
(ii)	**Nearbuy India Pvt. Ltd.**	Dec. 2025	**Delayed FC-GPR / foreign remittance reporting**	—	**RBI has compounded with fine for INR 4.28 lac**
(iii)	**Genpact India Pvt. Ltd.**	Dec. 2025	**Historical FEMA contraventions**	26 cr	**RBI has compounded with fine for INR 4.72 lac**
(iv)	**Elsteel Modular India Pvt. Ltd.**	Jan. 2026	**FEMA reporting/compliance contravention**	—	**RBI has compounded with fine for INR 14,200**
(v)	**Kakinada Seaports Ltd.**	Jan. 2026	(i) **Delayed foreign inward remittance reporting** (ii) **Delayed FC-GPR** (iii) **Delayed share allotment**	22.87 cr + 23.31 cr + 7.20 cr	**RBI has compounded with fine for INR 21.68 lac**
(vi)	**Deccan Digital Networks Pvt. Ltd.**	Feb. 2026	**Foreign investment reporting/FEMA contravention**	11.82 cr	**RBI has compounded with fine for INR 1.03 lac**

(vii)	**Metrocorp Infrastructure Ltd.**	Mar. 2026	**Delayed foreign inward remittance and FC-GPR reporting**	110.62 cr	**RBI has compounded with fine for INR 1.03 lac**
(viii)	**Myntra Designs Pvt. Ltd.**	Jun. 2026	**Delayed APRs for ODI; ODI commitment while APRs pending**	42.85 cr + 3.03 cr	(i) **RBI has compounded with fine for INR 2.88 lac** (ii) **ED investigation terminated**
(ix)	**Jusda India Supply Chain Management Pvt. Ltd.**	Jun. 2026	**Shares issued to entity from country sharing land border** *"without"* **prior Government approval**	18.50 cr	**RBI has compounded with fine for INR 12.53 lac**
(x)	**Apollo Hospitals Enterprises Ltd.**	Jun. 2026	**Receipt of FDI in prohibited retail-trading sector**	859.88 cr	**RBI has compounded with fine for INR 17.77 cr**
(xi)	**Darshan Kiritbhai Shah**	Jun. 2026	**Delayed FCTRS filing**	24,000	**RBI has compounded**
(xii)	**Touras India Pvt. Ltd.**	Jun. 2026	**FEMA contravention**	—	**RBI has compounded with fine for INR 26,950**
(xiii)	**Apothecon Pharmaceuticals Pvt. Ltd.**	Jul. 2026	(i) **Delayed Advance Remittance Form (ARF)** (ii) **Delayed FC-GPR** (iii) **Delayed foreign investment/share allotment reporting**	9.91 cr + 29.97 cr	**RBI has compounded with fine for INR 40.52 lac**

9. What is Janapriya Townships for adjudications, NOCs and Compounding?

- This is one of the particularly **useful cases for understanding** the **RBI → ED mechanism**.

(i) The ED said that the **investigation** was **based on** credible **information** and identified, among other things, the **delayed reporting of** foreign **inward remittances** of INR **64.66 crore for issue of shares** to a non-resident.

*(ii) The **RBI** subsequently **referred** the matter **to** the **ED for** issuing **NOC***

*(iii) The **RBI** is permitted **to compound** the **contraventions** "after" **NOC from ED***

*(iv) The **RBI** has **compounded** the contraventions **for** INR **1,68,160.***

10. What is Nearbuy India for adjudications, NOCs and Compounding?

*(i) The **RBI** has **compounded** on **Oct 17, 2025** "after" **NOC from ED***

*(ii) The **ED** has **informed** that **proceedings** against Nearbuy and the relevant office-bearers were consequently **terminated** "after" **NOC to RBI***

11. What is Genpact India for adjudications, NOCs and Compounding?

*(i) The **Genpact** is another important example of **a legacy FEMA matter** were resolved **when** the **RBI** has **compounded** "after" **NOC from ED***

*(ii) The **RBI** has **compounded for** INR **4.72 lac** "after" **NOC from ED**.*

12. What is Elsteel Modular India for adjudications, NOCs and Compounding?

*(i) The **ED** has **investigated** the matter and **filed** a **complaint** under **Section 16** of **FEMA**, 1999 **before** the Adjudicating **Authority**, **and** thereafter **issued NOC** "after" **reference from RBI**.*

*(ii) The **RBI** has **compounded** the contravention **on Dec 12, 2025 for** INR **14,200**.*

13. What are Kakinada seaports for adjudications, NOCs and Compounding?

*(i) This is a particularly instructive case because there were **3 separate compliance failures for**:*

*(a) A **delay in reporting** against foreign inward **remittances for** INR **22.87 cr***

*(b) A **delay in filling** FC-GPR **for** INR **23.31 crore***

*(c) A **delay in issuing allotment** of shares **for** INR **7.20 crore***

*(ii) The **ED** has **investigated** the matter and **filed** a **complaint** under **Section 16** of **FEMA**, 1999 **before** the Adjudicating **Authority**, **and** thereafter **issued NOC** "after" **reference from RBI**.*

(iii) *The **RBI** has **compounded** the contravention **for** INR **21.68 lac “**after” receiving **NOC from RBI** .*

14. What is Deccan Digital Networks for adjudications, NOCs and Compounding?

(i) *The **ED** has **investigated** the matter and **filed** a **complaint** under **Section 16** of **FEMA**, 1999 **before** the Adjudicating **Authority**, **and** thereafter **issued NOC** “after” **reference from RBI**.*

(ii) *The **RBI** has **compounded** the contravention **for** INR **1,03,333 “**after” **NOC from RBI**.*

15. What is Metrocorp Infrastructure for adjudications, NOCs and Compounding?

(i) *The **ED** has **investigated** the matter and **filed** a **complaint** under **Section 16** of **FEMA**, 1999 **before** the Adjudicating **Authority**, **and** thereafter **issued NOC** “after” **reference from RBI**.*

(ii) *The **RBI** has **compounded** the contravention **for** INR **1,03,333 “**after” **NOC from RBI**.*

16. What is Myntra matters for adjudications, NOCs and Compounding?

(i) *The **ED investigation** was initiated in July 2025 **based on credible information**.*

(ii) *The matters **compounded by** the **RBI for**:*

(a) ***Delayed in filling of** Annual Performance Reports (**APRs**) **against** Overseas Direct Investment (**ODI**) **for** INR **42.85 crore***

(b) ***Undertaken ODI** financial commitment **for** INR **3.03 crore when APRs** were **pending***

(iii) *The **ED** has **investigated** the matter and **filed** a **complaint** under **Section 16** of **FEMA**, 1999 **before** the Adjudicating **Authority**, **and** thereafter **issued NOC** “after” **reference from RBI**.*

*(iv) The **RBI** has **compounded** on April 20, 2026 the contravention **for** INR **2.88 Lac “**after” **NOC from RBI**.*

*(v) **Conclusion***

- *This is an excellent example **showing that** even **procedural** ODI **reporting defaults** can come with**in ED's investigation** framework.*

17. What is Jusda India Supply Chain for adjudications, NOCs and Compounding?

*(i) This is more **serious** from **a regulatory perspective**.*

*(ii) The **Jusda issued shares for** INR **18.5 crore to entities from** a country sharing a **land border** with India i.e. **China**, Pakistan, Nepal, Bhutan, Bangladesh, **Myanmar** and **etc**. “without” **obtaining** prior **Govt**. **approval**.*

*(iii) The **ED** has **investigated** the matter and **filed** a **complaint** under **Section 16** of **FEMA**, 1999 **before** the Adjudicating **Authority**, **and** thereafter **issued NOC** “after” **reference from RBI**.*

*(iv) The **RBI** has **compounded** the contravention **for** INR **12,52,984 “**after” **NOC from RBI**.*

18. What are Apollo Hospitals for adjudications, NOCs and Compounding?

*(i) This is probably the most **financially significant** publicly **reported** RBI→ED **compounding** matter **during 2025-26***

*(ii) The alleged **contravention involved** receipt of **FDI in a** “prohibited” **retail-trading** sector for INR **859.88 crore**.*

*(iii) The **ED** has **investigated** the matter and **filed** a **complaint** under **Section 16** of **FEMA**, 1999 **before** the Adjudicating **Authority**, **and** thereafter **issued NOC** “after” **reference from RBI**.*

*(iv) The **RBI** has **compounded** the contravention **for** INR **17.77 crore “**after” **NOC from RBI**.*

19. What is Darshan Kiritbhai Shah for adjudications, NOCs and Compounding?

(i) *The **reported** matter **against delayed** Foreign Currency – Transfer of Shares (**FC-TRS**) **filing for** INR **24,000** (only).*

(ii) *This is useful because **it demonstrates that** the **quantum** of the transaction alone does "not" **necessarily determine** whether a **matter comes to ED's attention**.*

(iii) *The **ED** has **investigated** the matter and **filed** a **complaint** under **Section 16** of **FEMA**, 1999 **before** the Adjudicating **Authority**, **and** thereafter **issued NOC** "after" **reference from RBI**.*

(iv) *The **RBI** has **compounded** the contravention **for** INR **8470 "**after" **NOC from RBI**.*

20. What is Touras India for adjudications, NOCs and Compounding?

(i) *The **ED** has **investigated** the matter and **filed** a **complaint** under **Section 16** of **FEMA**, 1999 **before** the Adjudicating **Authority**, **and** thereafter **issued NOC** "after" **reference from RBI**.*

(ii) *The **RBI** has **compounded** the contravention **for** INR **26,950 "**after" **NOC from RBI**.*

21. What is Apothecon Pharma for adjudications, NOCs and Compounding?

(i) *The **ED** has **investigated** the matter and **filed** a **complaint** under **Section 16** of **FEMA**, 1999 **before** the Adjudicating **Authority**, **and** thereafter **issued NOC** "after" **reference from RBI**.*

(ii) *The **RBI** has **compounded** the contravention **for** INR **40.52 lac "**after" **NOC from RBI**.*

• What is FEMA contravention➔ RBI compounding and ED investigation?

(i) ***Delayed in** FC-GPR/APR **reporting can** ultimately **be compounded**, as seen in Myntra and Apothecon.*

But

(ii) *The **ED indicate** "unauthorised" **cross-border movement**, concealment, **benami/ offshore structures**, manipulation, **prohibited** investments, or **transactions** requiring **Govt. approval**, the matter can become substantially **more serious***

Published By

CA. Satish Agarwal
B.com (Hons.) FCA
Practicing Chartered Accountant Since **1985**
+919811081957
9/14 (First Floor) East Patel Nagar, New Delhi- 110008
Email: satishagarwal307@yahoo.com
Website: www.femainindia.com

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