



Press Release

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RBI issued compounding order for FEMA violations in case of Vikram Mundlur

The Reserve Bank of India (RBI) has issued a compounding order on 20.02.2026 u/s 15 of Foreign Exchange Management Act, 1999 (FEMA), in the case of Vikram Mundlur, which has resulted into termination of adjudication proceedings against Vikram Mundlur for contraventions of provisions of FEMA, 1999. The said order has been passed by RBI after issuance of "No Objection" by the Directorate of Enforcement (ED).

In this case, based on the credible information received, investigation was taken up by ED under the provisions of FEMA. After completion of investigation, ED filed complaint u/s 16 of FEMA before the Adjudicating Authority pointing out following contravention under FEMA for which compounding has been done by RBI:-

- Para 8(a) of Schedule 3 of FEMA 5/2000-RB, thereafter Para 9(a) of Schedule 3 to FEMA 5(R)/2016-RB read with Para 2(3) of Schedule 5 of FEMA 20R/2017-RB read with Regulation 3.1(iv) of FEMA 395/2019-RB, covering Rs. 4,13,99,368.38/-.

As per the provisions of FEMA, the adjudication proceedings were initiated by the Adjudicating Authority by issuance of Show Cause Notice dated 30.01.2023 u/s 16 of FEMA against the above person.

Vikram Mundlur, later on, filed an application before the RBI for compounding of the said contraventions under FEMA as per the provisions of Section 15 of the Act. On reference from RBI, the ED issued no objection for such compounding in line with the true spirit of the Act. Accordingly, the RBI, on the basis of no objection issued by ED, has compounded the said contraventions vide compounding order dated 20.02.2026 with a one-time payment of Rs 3, 60,495/-. This has resulted into termination of adjudication proceedings with respect to aforementioned contravention under the provisions of FEMA against the person as well as further litigation.