Press Release
19.12.2025

RBI issued compounding order for FEMA violations in case of Nearbuy India Pvt. Ltd.

The Reserve Bank of India (RBI) has issued a compounding order on 17.10.2025 u/s 15 of Foreign Exchange Management Act, 1999 (FEMA), in the case of Nearbuy India Private Limited which has resulted into termination of proceedings against the company for alleged 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 on 03.12.2024 pointing out following contraventions under FEMA for which compounding has been done:-

1. Late reporting of foreign inward payments under Para 9(1)(A) of Schedule 1 to FEMA 20/2000-RB, covering Rs. 35.82 crore.

2. Late filing of Form FCGPR after issuing shares under Para 9(1)(B) of the same schedule 1 to FEMA 20/2000-RB, covering Rs. 73.01 crore.

As per the provisions of FEMA, the adjudication proceedings were initiated by the Adjudicating Authority by issuance of Show Cause Notice dated 27.02.2025 u/s 16 of FEMA to the company and its directors/officers who were in-charge and responsible for the conduct of the business of the company during the relevant period of contravention.

The company, 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 17.10.2025 with a one-time payment of Rs. 4,28,297.00. This has resulted into termination of adjudication proceedings under the provisions of FEMA against the company and its office bearers as well as further litigation.