



Press Release
9/6/2026

RBI issued compounding order for FEMA violations in case of Universal Biofuels Private Limited.

The Reserve Bank of India (RBI) has issued a compounding order u/s 15 of Foreign Exchange Management Act, 1999 (FEMA), in the case of Universal Biofuels Private Limited, which has resulted into termination of proceedings against the company for the contravention of provisions of FEMA, 1999 for which compounding order has been passed. 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 a complaint u/s 16 of FEMA before the Adjudicating Authority pointing out following contravention under FEMA for which compounding has been done:-

- Failing to undertake exports within one year from the date of receipt of advance payment in contravention of Regulation 16(1)(i) of FEM (Export of Goods and Services) Regulations 2000 covering INR 39,07,29,387/-.

The company, later on, filed an application before the RBI for compounding of the said contravention 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 contravention vide compounding order dated 18.03.2026 with a one-time payment of Rs. 29, 81,000/-. This has resulted into termination of adjudication proceedings under the provisions of FEMA against the company with regard to aforementioned contravention as well as further litigation.