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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ W.P.(C) 2590/2026, CM APPL. 12625/2026, CM APPL. 12626/2026
& CM APPL. 12627/2026

EMAAR MGF CONSTRUCTION

.....Petitioner

Through: Mr. Dayan Krishnan, Senior Advocate with Mr. Prabhat Chaurasia, Mr. Anirudh Jamwal, Ms. Radhika Yadav, Mr. Sridhar Kale, Mr. Sukrit Seth, Ms. Kenisha Savla and Mr. Rajpal Singh, Advocates.

versus

RESERVE BANK OF INDIA & ANR.

.....Respondents

Through: Mr. Ramesh Babu, Mr. Ms Nisha Sharma and Ms. Manisha Singh, Advs.

116

+ W.P.(C) 2591/2026, CM APPL. 12628/2026, CM APPL. 12629/2026
& CM APPL. 12630/2026

SMRIDHI TECHNOBUILD PRIVATE LIMITED

.....Petitioner

Through: Mr. Dayan Krishnan, Senior Advocate with Mr. Prabhat Chaurasia, Mr. Anirudh Jamwal, Ms. Radhika Yadav, Mr. Sridhar Kale, Mr. Sukrit Seth, Ms. Kenisha Savla and Mr. Rajpal Singh, Advocates.

versus

RESERVE BANK OF INDIA & ANR.

.....Respondents

Through: Mr. Ramesh Babu, Mr. Ms Nisha



Sharma and Ms. Manisha Singh,
Advs.

117

+ W.P.(C) 2592/2026, CM APPL. 12631/2026 & CM APPL. 12632/2026

M/S ACCESSION BUILDWELL PRIVATE LIMITED

.....Petitioner

Through: Mr. Dayan Krishnan, Senior Advocate with Mr. Prabhat Chaurasia, Mr. Anirudh Jamwal, Ms. Radhika Yadav, Mr. Sridhar Kale, Mr. Sukrit Seth, Ms. Kenisha Savla and Mr. Rajpal Singh, Advocates.

versus

RESERVE BANK OF INDIA & ANR.

.....Respondents

Through:

118

+ W.P.(C) 2593/2026, CM APPL. 12633/2026, CM APPL. 12634/2026
CM APPL. 12635/2026

EMAAR INDIA LIMITED

.....Petitioner

Through: Mr. Dayan Krishnan, Senior Advocate with Mr. Prabhat Chaurasia, Mr. Anirudh Jamwal, Ms. Radhika Yadav, Mr. Sridhar Kale, Mr. Sukrit Seth, Ms. Kenisha Savla and Mr. Rajpal Singh, Advocates.

versus



RESERVE BANK OF INDIA & ANR.

.....Respondents

Through: Mr. Ramesh Babu, Mr. Ms Nisha
Sharma and Ms. Manisha Singh,
Advs.

119

+ W.P.(C) 2594/2026, CM APPL. 12636/2026, CM APPL. 12637/2026
& CM APPL. 12638/2026

SHRESTHA CONBUILD PRIVATE LIMITED

.....Petitioner

Through: Mr. Dayan Krishnan, Senior
Advocate with Mr. Prabhat
Chaurasia, Mr. Anirudh Jamwal, Ms.
Radhika Yadav, Mr. Sridhar Kale,
Mr. Sukrit Seth, Ms. Kenisha Savla
and Mr. Rajpal Singh, Advocates.

versus

RESERVE BANK OF INDIA & ANR.

.....Respondents

Through: Mr. Ramesh Babu, Mr. Ms Nisha
Sharma and Ms. Manisha Singh,
Advs.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

ORDER

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24.02.2026

1. The short point involved in these petitions relates to the violation of Rule 8(2) of the Foreign Exchange Management (Compounding Rules), 2024 [**'Rules'**]. It is the case of the petitioners that their applications for compounding offences under Section 6(3)(b) of the Foreign Exchange Management Act, 1999 [**'Act'**]. The petitioners, however, submit that prior



to the passing of the impugned decision, they have not been afforded any opportunity of hearing as mandated under Rule 8(2) of the Rules. Respondent no. 1-Reserve Bank of India (RBI) seems to have rejected the applications on the ground that it has been advised by the Directorate of Enforcement, but according to the petitioners, the said advice has not been disclosed to them. It is also submitted that the alleged offence was that the petitioners purchased the agricultural land using FDI, and the same does not qualify as ‘money laundering’, ‘terror financing’ or any other ‘serious fraud’ which would amount to non-compoundable offences as per Rule 9(c) of the Rules.

2. Various grounds have also been raised in the petitions to indicate that had the petitioners been heard, the decision perhaps would have been otherwise.

3. Notice.

4. Mr. Ramesh Babu, learned counsel accepts notice on behalf of respondent no. 1-RBI and he opposes the submissions made by the petitioners. According to him, if Rule 9 of the Rules is considered in its right perspective, it would clearly indicate that in certain cases, the compounding cannot be allowed. He specifically places reliance on Clause (c) of Rule 9 of the Rules

5. The Court, however, at this stage, is not adjudicating the correctness of the decision taken by respondent no. 1-RBI on its merits. The Court finds that there is violation of Rule 8(2) of the Rules 2024. Rule 8 is extracted as under:

“8. Procedure for compounding. - (1) The compounding authority may, in addition to the particulars provided in the prescribed Form, call for any information, record or any other documents relevant to the



compounding proceeding to be placed before it and may, if necessary, require the applicant to take such action as may be necessary with respect transactions involved in the contravention.

(2) The compounding authority shall, on receipt of the application in the prescribed Form complete in all respects at the Reserve Bank or, as the case may be, the Directorate of Enforcement, after affording an opportunity of being heard to the applicant, pass compounding order as expeditiously as possible but not later than one hundred and eighty days from the date of receipt of such application”

(Emphasis supplied)

6. As to whether Rule 9 would be applicable under the facts of the present case or otherwise, can be decided only after affording an opportunity of hearing to the petitioners.
7. Since Rule 8(2) of Rules has been violated, therefore, on that short ground itself, the impugned order deserves to be set aside. Accordingly, the impugned orders are set aside.
8. The matters are remitted back to the competent authority to decide afresh after affording an opportunity of hearing to the petitioners.
9. Mr. Dayan Krishnan, learned senior counsel submits that in the meantime, the adjudicating authority be restrained not to pass any order of penalty and if such an order is passed, the application for compounding would be rendered infructuous.
10. The aforesaid aspect be brought to the notice of the adjudicating authority and the petitioners may pray for adjournment of proceedings therein.
11. With the aforesaid observations and leaving all rights and contentions open, the petitions stand disposed of.

PURUSHAINdra KUMAR KAURAV, J
FEBRUARY 24, 2026/P/AMG