



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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September 12, 2025

RBI imposes monetary penalty on PhonePe Limited (formerly known as PhonePe Private Limited)

The Reserve Bank of India (RBI) has, by an order dated September 10, 2025, imposed a monetary penalty of ₹21 lakh (Rupees Twenty One Lakh only) on PhonePe Limited (formerly known as PhonePe Private Limited) (the company) for non-compliance with certain directions issued by [RBI on 'Prepaid Payment Instruments \(PPIs\)'](#). This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 30(1) read with Section 26(6) of the Payment and Settlement Systems Act, 2007.

The statutory inspection of the company was conducted by RBI with reference to its operations for the period from October 2023 to December 2024. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the company advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions.

After considering the company's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charge against the company was sustained, warranting imposition of monetary penalty:

The end of the day balance in the escrow account of the company was less than the value of outstanding PPIs and payments due to merchants on certain days and the company did not report shortfall in the said escrow account to RBI immediately.

The action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the company with its customers. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the company.