



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes monetary penalty on Fairassets Technologies India Private Limited (*'Faircent'*)

The Reserve Bank of India (RBI) has, by an order dated February 11, 2025, imposed a monetary penalty of ₹40 lakh (Rupees Forty lakh only) on Fairassets Technologies India Private Limited (the company) (also referred to as *'Faircent'*) for non-compliance with certain provisions of the ['Non-Banking Financial Company – Peer to Peer Lending Platform \(Reserve Bank\) Directions, 2017'](#) issued by RBI. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of clause (b) of sub-section (1) of Section 58G read with clause (aa) of sub-section (5) of Section 58B of the Reserve Bank of India Act, 1934.

A scrutiny of the company was conducted by RBI in September 2023. 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 charges against the company were sustained, warranting imposition of monetary penalty.

The company:

- i) disbursed loans without the specific approval of individual lenders;
- ii) did not undertake and disclose credit assessment and risk profile of the borrowers to the prospective lenders;
- iii) took partial credit risk by foregoing the management fee partially / fully, which was not provided under the 'Scope of Activities' for NBFC-P2P companies; and
- iv) did not comply with RBI's directions on 'Fund Transfer Mechanism', when it allowed repayments to lenders from fresh funds provided by new / existing lenders or through repayments pooled from the borrowers, rather than from a specific borrower to a specific lender.

This 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 this monetary penalty is without prejudice to any other action that may be initiated by RBI against the company.