



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort,
Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

May 17, 2024

**Conference for the Directors and MD/CEOs of Asset Reconstruction
Companies (ARCs)**

The Reserve Bank today held a Conference in Mumbai for the Directors and MD/CEOs of Asset Reconstruction Companies (ARCs). The conference was attended by over 80 participants representing all 27 ARCs. This event, with the theme '*Governance in ARCs – Towards Effective Resolutions*', is a part of the series of supervisory engagements the Reserve Bank has been organising over the last one year with its Regulated Entities. As part of this series, the Conference for the Board of Directors and MD/CEOs of Scheduled Commercial Banks and Urban Co-operative Banks were held earlier.

Deputy Governors Shri M. Rajeshwar Rao and Shri Swaminathan J. addressed the participants. Executive Directors Shri S C Murmu, Shri Saurav Sinha, Shri J K Dash, and Shri Rohit Jain along with other senior officials representing Regulation and Supervision departments of the Reserve Bank also participated in the Conference.

Shri Rao, in his keynote address, highlighted that sound governance provides a strong foundation for the ARCs to build a robust business model. The onus in this regard lies largely with the Boards of the ARCs and the top functionaries who will have to develop a strong and institutional culture based on these principles. He also stressed on the need for responsible conduct in recovery process and emphasised that ARCs should follow transparent and non-discriminatory practices in line with the comprehensive fair practice code (FPC) put in place by the Reserve Bank.

Shri Swaminathan, in his address, emphasised that setting the right tone from the top is crucial in fostering a culture of integrity and ethical conduct. He highlighted several supervisory concerns in the functioning of ARCs. He urged the ARCs to adopt a regulation plus approach where there is compliance with both the letter of the regulation and also its spirit. Boards should accord due importance to assurance functions, namely, risk management, compliance and internal audit. These functions play a critical role in identifying and mitigating risks, ensuring compliance with laws and regulations as well as safeguarding the organization's reputation.

The Conference included technical sessions on the regulatory aspects and supervisory expectations by the Chief General Managers of the Reserve Bank.

The Conference concluded with an open house interactive session of the participants with the Executive Directors of the Reserve Bank.