



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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March 28, 2025

RBI imposes monetary penalty on Phoenix ARC Private Limited

The Reserve Bank of India (RBI) has, by an order dated March 24, 2025, imposed a monetary penalty of ₹52.70 lakh (Rupees Fifty Two Lakh Seventy Thousand only) on Phoenix ARC Private Limited (the company) for non-compliance with directions on 'Settlement of dues payable by the borrower' issued by RBI. This penalty has been imposed in exercise of powers conferred on RBI under Section 12 read with sub-section (1) of Section 30A of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

The statutory inspection of the company was conducted by RBI with reference to its financial position as on March 31, 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 that the following charge against the company was sustained, warranting imposition of monetary penalty:

The company settled dues of certain borrowers having aggregate outstanding principal amount of more than ₹1 crore without the prior approval of its Board of Directors, as required under the directions on 'Settlement of dues payable by the borrower'.

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.

Press Release: 2024-2025/2502

(Puneet Pancholy)
Chief General Manager