



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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September 02, 2024

RBI imposes monetary penalty on RAR Fincare Limited, Chennai, Tamil Nadu.

The Reserve Bank of India (RBI) has, by an order dated August 28, 2024, imposed a monetary penalty of ₹25,000/- (Rupees Twenty Five Thousand only) on RAR Fincare Limited, Chennai, Tamil Nadu (the company) for non-compliance with certain provisions of '[Master Direction- Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company \(Reserve Bank\) Directions, 2016](#)' read with '[Master Direction-Reserve Bank of India \(Non-Banking Financial Company-Scale Based Regulation\) Directions, 2023](#)', issued by RBI. This penalty has been imposed in exercise of powers vested in RBI, conferred 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.

The correspondence pertaining to the intimation of appointment of directors revealed, *inter alia*, non-compliance with RBI directions on change in management of NBFC. Based on the 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 its for failure to comply with the said directions. After considering the company's reply to the notice and oral submissions made by it during the personal hearing, RBI found, *inter alia* that the company failed to take prior written permission of the RBI for effecting change in management resulting in change of more than 30 per cent of its directors, excluding independent directors, warranting imposition of monetary penalty.

This action is based on deficiency 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.

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(Puneet Pancholy)
Chief General Manager