



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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September 13, 2024

RBI imposes monetary penalty on Muthoot Vehicle & Asset Finance Limited

The Reserve Bank of India (RBI) has, by an order dated September 11, 2024, imposed a monetary penalty of ₹7,90,000/- (Rupees Seven lakh ninety thousand only) on Muthoot Vehicle & Asset Finance Limited (the company) for non-compliance with certain provisions of RBI directions on '[Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies](#)' and '[Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company \(Reserve Bank\) Directions, 2016](#)'. 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 and clause (iii) of sub-section (1) of Section 25 read with sub-section (4) of Section 23 of the Credit Information Companies (Regulation) Act, 2005.

The statutory inspection of the company was conducted by RBI with reference to its financial position as on March 31, 2022. 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) did not disclose the information on Liquidity Coverage Ratio on its website;
- ii) did not submit data with respect to its gold loan customers to the four Credit Information Companies; and
- iii) did not convey in writing the amount of loan sanctioned along with the terms and conditions, in the vernacular language as understood by the vehicle loan borrowers, by means of a sanction letter or otherwise.

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.