



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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October 16, 2023

RBI imposes monetary penalty on West End Housing Finance Limited, Mumbai, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated September 15, 2023, imposed a monetary penalty of ₹1.70 lakh (Rupees One lakh Seventy thousand only) on West End Housing Finance Limited (the company) for non-compliance with National Housing Bank (NHB) directions on 'Housing Finance Companies – Approval of Acquisition or Transfer of Control (NHB) Directions 2016' and RBI direction on '[Non-Banking Financial Company - Housing Finance Company \(Reserve Bank\) Directions, 2021](#)'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of clause (b) of sub-section (1) of Section 52A read with clause (aa) of sub-section (3) of Section 49 of the National Housing Bank Act, 1987.

This action is based on the 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.

Background

The Annual Report of the company for the financial year 2020-21 submitted to NHB revealed, *inter alia*, the company's failure to obtain prior written permission of NHB/RBI for change in its shareholding due to progressive increases over time, resulting in transfer of shareholding beyond the permitted limit. In furtherance to the same, a notice was issued to the company advising it to show cause as to why penalty should not be imposed on it for failure to comply with the NHB and RBI directions, as stated therein.

After considering the company's reply to the notice and oral submissions made during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid NHB and RBI directions was substantiated and warranted imposition of monetary penalty.