प्रेस प्रकाशनी **PRESS RELEASE**

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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March 23, 2021

Reserve Bank of India imposes monetary penalty on Sonata Finance Private Limited

The Reserve Bank of India (RBI) has, by an order dated March 23, 2021, imposed a monetary penalty of ₹15 lakh (Rupees Fifteen lakh only) on Sonata Finance Private Limited, Lucknow, Uttar Pradesh (the company), for non-compliance with certain provisions of the directions issued by RBI on 'Pricing of Credit' contained in 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 vested in RBI under the provisions of clause (b) of sub-section (1) of section 58 G read with clause (aa) of sub-section (5) of section 58B of the Reserve Bank of India Act, 1934, taking into account the failure of the company to adhere to the aforesaid directions issued by RBI.

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.

Background

The statutory inspections of Sonata Finance Private Limited with reference to its financial positions as on March 31, 2018 and March 31, 2019, revealed, *inter alia*, non-compliance with above mentioned directions issued by RBI. 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 for failure to comply with the directions issued by RBI. After considering the company's reply to the notice, oral submissions made during the personal hearing and examination of additional submissions made by it, RBI came to the conclusion that the charge of non-compliance with aforesaid RBI directions was substantiated and warranted imposition of monetary penalty.

(Yogesh Dayal)
Chief General Manager

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