



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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March 11, 2022

**Reserve Bank of India imposes monetary penalty on M.L. Securities and Finance Private Limited, Indore (M.P)**

The Reserve Bank of India (RBI) has imposed, by an order dated March 11, 2022, a monetary penalty of ₹2.50 lakh (Rupees Two Lakh and Fifty Thousand only) on M.L. Securities and Finance Private Limited, Indore (M.P) (the company) for non-compliance with certain provisions of the directions issued by RBI on classification of Non-performing assets contained in '[Non-Banking Financial Company - Non-Systemically Important Non-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 inspection report of the company based on its financial position as on March 31, 2019, revealed, *inter alia*, non-compliance with above mentioned directions issued by RBI. Based on the same, a Notice was issued to the company advising it to show cause as to why penalty should not be imposed for non-compliance with the directions.

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

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**(Yogesh Dayal)**  
Chief General Manager