

**भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA**वेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

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March 17, 2023

RBI imposes monetary penalty on Housing Development Finance Corporation Limited, Mumbai

The Reserve Bank of India (RBI) has, by an order dated March 13, 2023, imposed a monetary penalty of ₹5.00 lakh (Rupees Five lakh only) on Housing Development Finance Corporation Limited, Mumbai (the company) for non-compliance with certain provisions of 'The Housing Finance Companies (NHB) Directions, 2010' issued by the National Housing Bank (NHB) read with the [press release dated August 13, 2019](#) issued by RBI on 'Transfer of Regulation of Housing Finance Companies (HFCs) to Reserve Bank of India'. This penalty has been imposed in exercise of powers vested in 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 statutory inspection of the company was conducted by NHB with reference to its financial position as on March 31, 2020 and examination of the Inspection Report, supervisory letter and all related correspondence pertaining to the same revealed, *inter alia*, that the company failed to transfer matured deposits of certain depositors to designated bank accounts of such depositors during the period 2019-20. 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 directions, as stated therein.

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