



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

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

Website : [www.rbi.org.in](http://www.rbi.org.in)

इ-मेल email: [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

April 11, 2017

## **RBI imposes Monetary Penalty on M/s Hinduja Leyland Finance Ltd.**

The Reserve Bank of India (RBI) has imposed a monetary penalty of ₹5 lakh on M/s Hinduja Leyland Finance Ltd. (the company) under section 58G(1)(b) read with sub-section 5(aa) of section 58B of the RBI Act, 1934 for violation of directions/orders issued by Reserve Bank of India from time to time.

### **Background**

An inspection of books and accounts of the company as on March 31, 2015 was conducted under section 45N of Reserve Bank of India Act, 1934 (the RBI Act, 1934) between December 30, 2015 and January 14, 2016. It was observed that charging of interest and its communication to the borrower was done in non-transparent manner which was in violation of the Fair Practices Code guidelines issued by the Bank under Section 45 L of the RBI Act, 1934. Accordingly, the company was issued a Show Cause Notice (SCN) on July 29, 2016 for imposition of penalty. The company's response to the SCN was not found to be satisfactory. The company was also accorded a personal hearing by RBI under section 58G (2) of the RBI Act, 1934 on February 22, 2017. After considering the facts of the case and the company's reply, as also, personal submissions made during the hearing, RBI came to the conclusion that the violations as observed during scrutiny were substantiated which warranted imposition of monetary penalty on the company. Accordingly, a penalty of ₹5 lakh has been imposed on the company.

**Press Release : 2016-2017/2741**

**Ajit Prasad**  
Assistant Adviser