



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

May 15, 2025

## RBI imposes monetary penalty on Grewal Brothers Finance Company Private Limited, Kerala

The Reserve Bank of India (RBI) has, by an order dated May 09, 2025, imposed a monetary penalty of ₹50,000/- (Rupees Fifty Thousand only) on Grewal Brothers Finance Company Private Limited, Kerala (the company) for non-compliance with certain provisions of '[Master Direction- Reserve Bank of India \(Non- Banking Financial Company-Scale Based Regulation\) Directions, 2023](#)' issued by RBI. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 58G(1)(b) read with Section 58B(5)(aa) of the Reserve Bank of India Act, 1934.

The correspondence pertaining to the intimation of appointment of directors revealed, *inter-alia*, non-compliance with RBI directions. Based on 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 its failure to comply with the said directions. After considering the company's reply to the notice and oral submissions made during the personal hearing, RBI found, *inter-alia* that the following charge against the company was sustained, warranting imposition of monetary penalty:

The company failed to obtain prior written permission of the RBI for effecting change in management, resulting in change of more than 30 per cent of its directors, excluding independent directors.

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. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the company.