



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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May 24, 2024

RBI imposes monetary penalty on Hero FinCorp Limited

The Reserve Bank of India (RBI) has, by an order dated May 22, 2024, imposed a monetary penalty of ₹3,10,000/- (Rupees Three Lakh Ten Thousand only) on Hero FinCorp Limited (the company) for non-compliance with certain provisions of the '[Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company \(Reserve Bank\) Directions, 2016](#)' issued by RBI, relating to Fair Practices Code. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of clause (b) of sub-section (1) of section 58G read with clause (aa) of sub-section (5) of section 58B of the Reserve Bank of India Act, 1934.

The statutory inspection of the company was conducted by RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, 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, oral submissions made during the personal hearing and examination of additional submissions made by it, RBI found, *inter alia*, that the following charge against the company was sustained, warranting imposition of monetary penalty. The company did not convey the terms and conditions of loans in writing to the borrowers in the vernacular language understood by them.

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.

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(Puneet Pancholy)
Chief General Manager