

**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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**RBI imposes monetary penalty on Spandana Sphoorty
Financial Limited, Hyderabad**

The Reserve Bank of India (RBI) has, by an order dated August 05, 2022, imposed a monetary penalty of ₹2.33 crore (Rupees Two Crore Thirty-Three lakh only) on Spandana Sphoorty Financial Limited, Hyderabad (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". 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 58 B of the Reserve Bank of India Act, 1934.

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 inspections of the company, a NBFC- MFI, conducted by RBI with reference to its financial position as on March 31, 2019 and March 31, 2020 and examination of the Risk Assessment Report, Inspection Reports, supervisory letters and all related correspondence pertaining to the same revealed, *inter alia*, the company's failure to adhere to pricing of credit guidelines for Non-Banking Financial Company- Micro Finance Institutions. 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 RBI directions, as stated therein.

After considering the company's reply to the notice, examination of 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 RBI directions was substantiated and warranted imposition of monetary penalty.