



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email: 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: 022- 22660502

August 26, 2021

RBI imposes monetary penalty on Seyad Shariat Finance Limited, Tirunelveli, Tamil Nadu

The Reserve Bank of India (RBI) has, by an order dated August 26, 2021, imposed a monetary penalty of ₹5 lakh (Rupees Five Lakh only) on Seyad Shariat Finance Limited, Tirunelveli, Tamil Nadu (the company), for non-compliance with certain provisions of the "[Reserve Bank of India \(Know Your Customer \(KYC\) Directions, 2016](#)". The 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, taking into account the failure of the company to adhere to the aforesaid RBI directions.

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.

Background

The statutory inspection of Seyad Shariat Finance Limited, with reference to its financial position as on March 31, 2017 and March 31, 2019 and the Inspection Reports pertaining thereto, revealed non-compliance with the statutory directions, including, *inter alia*, the company's failure to ensure categorization of customers based on risk assessment and risk perception. In furtherance to the same, a notice was issued to the company advising it to show cause why penalty should not be imposed on it for failure to comply with the directions issued by RBI. After considering the company's reply to the notice, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty.

Press Release: 2021-2022/754

(Yogesh Dayal)
Chief General Manager