



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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August 12, 2024

## RBI imposes monetary penalty on Muthoot Housing Finance Company Limited

The Reserve Bank of India (RBI) has, by an order dated August 7, 2024, imposed a monetary penalty of ₹5,00,000/- (Rupees Five Lakh only) on Muthoot Housing Finance Company Limited (the company) for non-compliance with certain provisions of the '[Non-Banking Financial Company - Housing Finance Company \(Reserve Bank\) Directions, 2021](#)' issued by RBI relating to 'Governance'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 52A of the National Housing Bank Act, 1987.

The statutory inspection of the company was conducted by the National Housing Bank with reference to its financial position as on March 31, 2022. 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 maximum 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 by it during the personal hearing, RBI found that the company failed to take prior written permission of the RBI for change in management resulting in change of more than 30 per cent of its directors, excluding independent directors, warranting imposition of monetary penalty.

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. 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