



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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August 16, 2024

RBI imposes monetary penalty on Hinduja Leyland Finance Limited

The Reserve Bank of India (RBI) has, by an order dated August 08, 2024, imposed a monetary penalty of ₹4.90 lakh (Rupees Four Lakh Ninety Thousand only) on Hinduja Leyland Finance Limited (the company) for non-compliance with certain provisions of the [Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 2016](#). 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, 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 penalty should not be imposed on it for its failure to comply with the instructions. 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 put into use a robust software to throw alerts when the transactions were inconsistent with risk categorization and updated profile of the customers, as part of effective identification and reporting of suspicious transactions.

This action is based on deficiency 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.

Press Release: 2024-2025/916

(Puneet Pancholy)
Chief General Manager