



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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December 08, 2023

**RBI imposes monetary penalty on ECL Finance Limited, Mumbai, Maharashtra**

The Reserve Bank of India (RBI) has, by an order dated December 04, 2023, imposed a monetary penalty of ₹4.90 lakh (Rupees Four lakh ninety thousand only) on ECL Finance Limited (the company) for non-compliance with certain provisions of the [Reserve Bank of India \(Know Your Customer \(KYC\)\) Direction, 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.

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 inspection of the company was conducted by RBI with reference to its financial position as on March 31, 2022 and examination of the Risk Assessment Report, Inspection Report, Supervisory Letter and all related correspondence pertaining to the same revealed, *inter alia*, that the company failed to put into use a robust software for effective identification and reporting of suspicious transactions. Consequently, 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, 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.