



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

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January 12, 2024

**RBI imposes monetary penalty on Sakthi Finance Limited,  
Coimbatore, Tamil Nadu**

The Reserve Bank of India (RBI) has, by an order dated January 02, 2024, imposed a monetary penalty of ₹6.00 Lakh (Rupees Six Lakh only) on Sakthi Finance Limited, Coimbatore, Tamil Nadu (the company) for non-compliance with the '[Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 2016](#)' issued by RBI. 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 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 and Inspection Report pertaining to the aforementioned inspection and all related correspondence pertaining to the same, revealed, *inter alia*, that the company did not undertake risk categorization of its customers and carry out periodic updation of KYC for its high risk customers during the financial year 2021-22, as part of on-going due diligence of its customers. Consequently, a notice was issued to the company advising it to show cause as to why penalty should not be imposed for its 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, to the extent of such non-compliance with such directions.

**(Yogesh Dayal)**  
Chief General Manager

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