



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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October 10, 2019

**Reserve Bank of India imposes monetary penalty on
Toyota Financial Services India Limited**

The Reserve Bank of India (RBI) has, by an order dated October 09, 2019, imposed a monetary penalty of ₹5 lakh on M/s Toyota Financial Services India Limited (company), for non-compliance with directions issued by RBI on 'Monitoring of Frauds in NBFCs'. The penalty has been imposed in exercise of powers vested in 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 RBI Act).

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

An inspection of the company was conducted under section 45N of the RBI Act during July-August 2018. During the inspection, it was observed that the company had failed to comply with various directions issued by RBI, *inter alia*, in respect of monitoring of frauds in NBFCs. A notice was issued to the company advising it to show cause as to why monetary penalty should not be imposed for non-compliance with the aforesaid directions. After considering the entire facts of the case and the company's reply, as also the submissions made during the personal hearing, RBI came to the conclusion that the violations observed during the inspection were substantiated, which warranted imposition of monetary penalty on the company. Accordingly, a penalty of ₹5 lakh has been imposed on the company.

(Yogesh Dayal)

Chief General Manager

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