



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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July 19, 2024

## RBI imposes monetary penalty on Muthoot Finance Limited

The Reserve Bank of India (RBI) has, by an order dated July 15, 2024, imposed a monetary penalty of ₹1,90,000/- (Rupees One Lakh Ninety Thousand only) on Muthoot Finance Limited (the company) for non-compliance with certain provision of '[Know Your Customer \(KYC\) Directions, 2016](#)' issued by RBI. 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 said directions.

After considering the company's reply to the notice, oral submissions made by it during the personal hearing, RBI found, *inter alia*, that the charge of allotting more than one Unique Customer Identification Code (UCIC) to its individual customers was sustained, 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 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.

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(Puneet Pancholy)  
Chief General Manager