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The statutory inspection of the company was conducted by RBI with reference to its financial position as on March 31, 2021 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 carry out on-going due diligence of its customers, when it did not undertake the periodic updation of KYC of its high risk customers as on March 31, 2021. 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.

The Reserve Bank of India (RBI) has, by an order dated October 30, 2023, imposed a monetary penalty of ₹10 lakh (Rupees Ten lakh only) on Mercedes-Benz Financial Services India Private Limited (formerly known as Daimler Financial Services India Private 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.

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