

**भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

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February 03, 2023

**RBI imposes monetary penalty on Krazybee Services Private Limited,  
Bangalore**

The Reserve Bank of India (RBI) has, by an order dated February 1, 2023, imposed a monetary penalty of ₹42.48 lakh (Rupees Forty two lakh forty eight thousand only) on Krazybee Services Private Limited, Bangalore (the company) for non-compliance with certain provisions of the directions issued by RBI on "Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs" and "Fair Practices Code for applicable NBFCs", contained in the "[Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company \(Reserve Bank\) Directions, 2016](#)". 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, 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 ensure that its recovery agents did not resort to harassment or intimidation of customers as part of its debt collection efforts and thereby failing to adhere to the aforesaid directions issued by RBI. There were also persistent/repeat complaints about harassment of customers due to the recovery and collection methods adopted by the company. In furtherance to the same, 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 were substantiated and warranted imposition of monetary penalty, to the extent of non-compliance with the directions.