



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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February 21, 2025

RBI imposes monetary penalty on Asirvad Micro Finance Limited

The Reserve Bank of India (RBI) has, by an order dated February 20, 2025, imposed a monetary penalty of ₹6.20 lakh (Rupees Six Lakh Twenty Thousand only) on Asirvad Micro Finance Limited (the company) for non-compliance with certain provisions of the '[Master Direction - Reserve Bank of India \(Regulatory Framework for Microfinance Loans\) Directions, 2022](#)', and 'Appointment of Internal Ombudsman by Non-Banking Financial Companies' issued by RBI. This penalty has been imposed in exercise of powers conferred on RBI under 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, 2023. 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 and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charges against the company were sustained, warranting imposition of monetary penalty:

- i) The company failed to report the household income of certain borrowers to Credit Information Companies;
- ii) The company failed to provide factsheets to certain gold loan customers; and
- iii) The company failed to establish a system of auto-escalation of all complaints that were partly or wholly rejected by its internal grievance redress mechanism to the Internal Ombudsman for a final decision.

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.