



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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April 25, 2025

RBI imposes monetary penalty on Mahindra & Mahindra Financial Services Limited

The Reserve Bank of India (RBI) has, by an order dated April 21, 2025, imposed a monetary penalty of ₹71.30 lakh (Rupees Seventy One Lakh Thirty Thousand only) on Mahindra & Mahindra Financial Services Limited (the company) for non-compliance with certain provisions of the '[Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company \(Reserve Bank\) Directions, 2016](#)' and '[Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 2016](#)' 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, additional submissions made by it 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 did not disclose the processing fees and other charges in certain loan application forms;
- ii) The company did not furnish copies of loan agreements and did not convey details of the loans in the sanction letters to certain borrowers;
- iii) The company did not give a final chance to certain borrowers to repay the loans, before the sale / auction of vehicles; and
- iv) The company allotted multiple customer identification codes to certain customers, instead of a Unique Customer Identification Code (UCIC) for each individual customer.

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.