



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort,
Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

February 14, 2025

RBI imposes monetary penalty on Shriram Finance Limited

The Reserve Bank of India (RBI) has, by an order dated February 10, 2025, imposed a monetary penalty of ₹5.80 lakh (Rupees Five Lakh Eighty Thousand only) on Shriram Finance Limited (the company) for non-compliance with certain provisions of the '[Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 2016](#)', '[Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company \(Reserve Bank\) Directions, 2016](#)' and directions on 'Data Format for Furnishing of Credit Information to Credit Information 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, and Section 25(1)(iii) read with Section 23(4) of the Credit Information Companies (Regulation) Act, 2005

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 failed to put in place a system of periodic review of risk categorisation of accounts;
- ii) The company did not ensure that its agreements with certain Direct Sales Agents had a clause regarding the RBI's right to inspect books and accounts of service providers; and
- iii) The company failed to share information about the Relationship Segment of the corporates to the Credit Information Companies, during the financial year 2022-23.

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.