



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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January 05, 2021

Reserve Bank of India imposes monetary penalty on Bajaj Finance Limited

The Reserve Bank of India (RBI) has imposed a monetary penalty of ₹2.50 crore (Rupees Two crore Fifty lakh only) on Bajaj Finance Limited, Pune (the company), by an order dated January 05, 2021, for violation of (i) directions issued by RBI on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs and Fair Practices Code (FPC) for applicable NBFCs, contained in the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016; and (ii) a specific direction to the company to ensure full compliance with FPC in letter and spirit.

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 58B of the Reserve Bank of India Act, 1934, taking into account the failure of the company 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 recovery and collection methods adopted by the company.

For the above lapses, a notice was issued to the company advising it to show cause as to why penalty should not be imposed for such non-compliance. After considering the company's reply to the notice, oral submissions made during the personal hearing and examination of additional submissions made by it, RBI concluded that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty.

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.

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(Yogesh Dayal)
Chief General Manager