



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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February 27, 2026

RBI imposes monetary penalty on Mahindra & Mahindra Financial Services Limited

The Reserve Bank of India (RBI) has, by an order dated February 27, 2026, imposed a monetary penalty of ₹11.50 lakh (Rupees Eleven Lakh Fifty Thousand only) on Mahindra & Mahindra Financial Services Limited (the company) for non-compliance with certain directions issued by RBI on 'Fair Practices Code' and 'Internal Ombudsman for Regulated Entities'. This penalty has been imposed in exercise of powers conferred on RBI under Section 58G(1)(b) read with Section 58B(5)(aa) 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, 2025. Based on the 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 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 levied revised foreclosure charges on certain accounts of borrowers without incorporating a suitable condition in their loan agreements; and
- ii) The company failed to ensure:
 - (a) escalation of certain complaints, partly / wholly rejected by the company's Internal Grievance Redress Mechanism to its Internal Ombudsman within the prescribed time.
 - (b) communication of final decision to the complainant, within the prescribed time, in certain cases.

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.