



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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September 10, 2024

RBI imposes monetary penalty on HDFC Bank Limited

The Reserve Bank of India (RBI) has, by an order dated September 03, 2024 imposed a monetary penalty of ₹1,00,00,000 (Rupees One crore only) on HDFC Bank Limited (the bank) for non-compliance with certain directions issued by RBI on 'Interest Rate on Deposits', 'Recovery Agents engaged by Banks' and 'Customer Service in Banks' read with the BCSBI Code and 'Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 47 A (1) (c) read with section 46 (4) of the Banking Regulation Act, 1949.

The Statutory Inspection for Supervisory Evaluation (ISE 2022) of the bank was conducted by RBI with reference to its financial position as on March 31, 2022. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank 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 bank'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 bank were sustained, warranting imposition of monetary penalty.

The bank:

- a. gave gifts (in the form of paying first-year premium for the complimentary life insurance cover) costing more than ₹250 to the depositors at the time of accepting certain deposits;
- b. opened certain savings deposit accounts in the name of ineligible entities; and
- c. failed to ensure that customers are not contacted after 7 pm and before 7 am.

The action is based on deficiencies in statutory and regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.