



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Reserve Bank of India imposes monetary penalty on Yes Bank Limited

The Reserve Bank of India (RBI) has imposed on October 23, 2017, a monetary penalty of ₹ 60 million on Yes Bank Limited (the bank) for non-compliance with the directions issued by RBI on Income Recognition Asset Classification (IRAC) norms and delayed reporting of information security incident involving ATMs of the bank. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949, taking into account failure of the bank to adhere to certain directions issued by RBI.

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 bank with its customers.

Background

The statutory inspection of the bank with reference to its financial position as on March 31, 2016 revealed, *inter alia*, violations of various regulations issued by RBI in the assessment of Non-performing Assets (NPAs). A cyber-security incident involving ATMs of the bank was also not reported by the bank within the prescribed timeframe. Based on the inspection report and other relevant documents, a Notice was issued to the bank dated July 6, 2017, followed by a supplementary notice dated August 24, 2017, advising it to show cause as to why penalty should not be imposed on it for non-compliance with directions issued by RBI. After considering the bank's replies, oral submissions made in the personal hearings, as also the additional information and documents furnished, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.

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