



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-400001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

November 16, 2023

RBI imposes monetary penalty on Axis Bank Ltd

The Reserve Bank of India (RBI) has, by an order dated November 02, 2023, imposed a monetary penalty of ₹90.92 Lakh (Rupees Ninety lakh and ninety-two thousand only) on Axis Bank Ltd. (the bank) for non-compliance with certain directions issued by RBI on '[Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 2016](#)', 'Loans and Advances – Statutory and Other Restrictions', 'Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks' and 'Code of Conduct for Opening and Operating Current Accounts'. This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) of the Banking Regulation Act, 1949.

This action is based on the 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 for Supervisory Evaluation (ISE 2022) of the bank was conducted by RBI with reference to its financial position as on March 31, 2022. A scrutiny was also conducted by RBI involving an account. The examination of the Risk Assessment Report/Inspection Report pertaining to ISE 2022, Scrutiny Report and all related correspondence in that regard, revealed, *inter alia*, that the bank (i) failed to preserve records pertaining to the identification of customers and their address in certain cases, (ii) made persistent calls to some of the customers, (iii) failed to ensure appropriate behaviour of recovery agents with some of the delinquent borrowers and (iv) failed to ensure a tape recording of the content/text of the calls made by the recovery agents to some of the customers and (v) did not obtain declarations from the customer at the time of opening of current accounts. Consequently, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for failure to comply with the directions issued by RBI, as stated therein.

After considering the bank's reply to the notice, oral submissions made during the personal hearing and additional submissions made by it, RBI came to the conclusion that the aforementioned charge of non-compliance was substantiated and warranted imposition of monetary penalty.