



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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## **Reserve Bank of India imposes monetary penalty on IndusInd Bank Limited**

The Reserve Bank of India (RBI) has imposed on December 12, 2017, a monetary penalty of ₹ 30 million on IndusInd Bank Limited (the bank) for non-compliance with the directions issued by RBI on Income Recognition and Asset Classification (IRAC) norms and contravention of regulatory restrictions pertaining to non-fund based (NFB) facilities. 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/ guidelines 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) and extension of NFB facilities. Based on the inspection report and other relevant documents, a Notice was issued to the bank dated August 10, 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 reply, oral submissions made in the personal hearing, and also the additional information and documents furnished, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions/ guidelines were substantiated and warranted imposition of monetary penalty.

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