



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

इ-मेल email: helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 91 22 2266 0502 फेक्स/Fax: 91 22 2266 0358

January 06, 2017

RBI Imposes Monetary Penalty on Lakshmi Vilas Bank

The Reserve Bank of India has imposed a monetary penalty of ₹ 30 million on Lakshmi Vilas Bank Ltd. (LVB) for contravention of instructions relating to opening and operation of current accounts, extending bill discounting facilities to non-constituents and walk-in customers and non-adherence to KYC norms. This penalty has been imposed in exercise of powers vested in the Reserve Bank under the provisions of Section 47(A)(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949, taking into account the violations of the instructions/ directions/guidelines issued by the Reserve Bank from time to time.

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 and its customers.

Background

The Reserve Bank of India had received a complaint regarding irregularities in bill discounting/purchasing at one of the bank's branches. RBI carried out an examination of the irregularities. Explanation from the bank was also obtained by RBI. On the basis of the examination of RBI and explanation furnished by the bank, a Show Cause Notice was issued to the bank for violation of certain regulations and instructions issued by the Reserve Bank of India.

After considering the bank's reply, as also, personal submissions, information submitted and documents furnished, the Reserve Bank of India came to the conclusion that these violations were substantiated and warranted imposition of monetary penalty.

Press Release: 2016-2017/1811

Alpana Killawala
Principal Adviser