



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes Monetary Penalty on Axis Bank Limited

The Reserve Bank of India (RBI) has imposed, on February 27, 2018, a monetary penalty of ₹ 30 million on Axis Bank Limited (the bank) for non-compliance with the directions issued by RBI on Income Recognition and Asset Classification (IRAC) norms. 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 the aforesaid 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). Based on the inspection report and other relevant documents, a Notice, dated November 16, 2017, was issued to the bank 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 and oral submissions made in the personal hearing, 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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