प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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July 04, 2022

RBI imposes monetary penalty on IndusInd Bank Ltd.

The Reserve Bank of India (RBI) has, by an order dated June 29, 2022, imposed a monetary penalty of ₹1 crore (Rupees One crore only) on IndusInd Bank Ltd. (the bank) for non-compliance with certain directions issued by RBI on 'Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016'. This penalty has been imposed in exercise of powers vested in RBI under the provisions of section 47 A (1) (c) read with section 46 (4) (i) of the Banking Regulation Act, 1949 (the Act).

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 of the bank was conducted by RBI with reference to its financial position as on March 31, 2020, and examination of the Risk Assessment Report, Inspection Report and all related correspondence pertaining to the same, revealed non-compliance with the directions issued by RBI, *inter-alia,* to the extent the bank failed to adhere to Customer Due Diligence (CDD) procedure in the accounts opened using OTP based e-KYC, in non-face-to-face mode, as (i) in certain accounts, the aggregate of all credits in a financial year, in all the deposits taken together, exceeded ₹2 lakh, and (ii) certain fixed deposit accounts were opened for amounts exceeding ₹1 lakh, of which some deposits were for more than ₹2 lakh. In furtherance to the same, 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 examination of additional submissions made by it, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty, to the extent of non-compliance with such directions.

(Yogesh Dayal)
Chief General Manager

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