



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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October 16, 2020

Reserve Bank of India imposes monetary penalty on IndusInd Bank Limited

The Reserve Bank of India (RBI) has imposed, by an order dated October 16, 2020, a monetary penalty of ₹4.50 crore (Rupees Four crore and fifty lakh only) on IndusInd Bank Limited (the bank) for non-compliance with certain provisions of directions issued by RBI on 'Exposure Norms', 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances', 'SPARC – Monitoring of Information Submission by bank', 'Creation of a Central Repository of Large Common Exposures - Across Banks' read with directions on 'Central Repository of Information on Large Credits (CRILC) – Revision in Reporting', and 'Disclosure in Financial Statements- Notes to Accounts'.

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 of the bank with reference to its financial position as on March 31, 2019 and the Risk Assessment Report (RAR) pertaining thereto revealed, *inter-alia*, non-compliance with the above-mentioned directions issued by RBI. 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 for its failure to comply with the directions issued by RBI. After considering the bank's reply to the notice, oral submissions made during the personal hearing and examination of additional submissions, RBI decided to impose monetary penalty on the bank, to the extent of non-compliance with the aforesaid directions.

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(Yogesh Dayal)
Chief General Manager