



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

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November 20, 2019

## **Reserve Bank of India imposes monetary penalty on Indian Bank**

The Reserve Bank of India (RBI) has imposed, by order dated November 18, 2019, monetary penalty of ₹ One crore on Indian Bank (the bank) for non-compliance with directions issued by RBI on Window-dressing of Balance Sheet and classification and reporting of frauds. The 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) and Section 51 (1) of the Banking Regulation Act, 1949, taking into account failure of the bank to adhere to the aforesaid directions 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, 2018, conducted by RBI, revealed, *inter alia*, non-compliance with RBI directions on Window-dressing of Balance Sheet, honouring of commitments under Guarantees and Co-acceptances, Know Your Customer norms, and classification and reporting of frauds. A Notice was issued to the bank advising it to show cause as to why monetary penalty should not be imposed for non-compliance with the aforesaid directions. After considering the bank's reply and oral submissions made during the personal hearing, RBI came to the conclusion that the charges regarding non-compliance with the directions on Window-dressing of Balance Sheet and classification and reporting of frauds warranted imposition of monetary penalty.

**Press Release: 2019-2020/1234**

**(Yogesh Dayal)**  
Chief General Manager