



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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October 14, 2019

**Reserve Bank of India imposes monetary penalty on
The Lakshmi Vilas Bank Ltd.**

The Reserve Bank of India (RBI) has, by an order dated October 14, 2019, imposed monetary penalty of ₹1 crore on The Lakshmi Vilas Bank Ltd. (the bank) for non-compliance with certain provisions of 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.

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, 2017 revealed, *inter alia*, non-compliance with directions issued by RBI on "Income Recognition and Asset Classification (IRAC) norms". Based on the inspection report, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for non-compliance with the directions. After considering the bank's reply to the notice and examination of additional submission, RBI concluded that the aforesaid non-compliance warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager