

AXIS/CO/CS/338/2024-25

September 11, 2024

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, "G" Block
Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051

BSE Limited
1st Floor,
P. J. Towers,
Dalal Street
Fort, Mumbai – 400 001

NSE Symbol: AXISBANK

BSE Scrip Code: 532215

Dear Sir/Madam,

SUB: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is to inform you that the Reserve Bank of India ("RBI") vide its letter dated September 10, 2024, has imposed a monetary penalty amounting to Rs. 1.91 crore (Rupees One crore Ninety-One Lakh only) on the Bank for the following non-compliances:

1. Opening savings deposit accounts in the name of ineligible entities;
2. Allotting multiple Customer Identification Code to its individual customers instead of a Unique Customer Identification Code for each customer;
3. Obtaining collateral security for agricultural loans of value less than Rs. 1.6 lakh;
4. Undertaking of non-permissible business of 'providing technology services' by one of the wholly owned subsidiaries of the Bank.

This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulations Act, 1949 and emanates from statutory inspections for supervisory evaluation for FY23.

The Bank has already initiated / taken corrective measures, as necessary, to align the operations / procedures in line with the stipulations of the RBI.

The relevant information as per the format prescribed by SEBI vide its circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, is attached as Annexure A.

This is for your information and records.

Thanking you.

Yours faithfully,

For Axis Bank Limited

Sandeep Poddar
Company Secretary

Encl.: As above.

CC: London Stock Exchange
Singapore Stock Exchange

Sr. No.	Particulars	Details
1.	Name of the Authority	Adjudication Committee of Executive Directors of the Reserve Bank of India ("RBI").
2.	Nature and details of the action(s) taken, initiated or order(s) passed	Imposition of monetary penalty of Rs. 1.91 Crore (Rupees One Crore Ninety-One Lakh only), in exercise of powers vested in the RBI, conferred under the provisions of Section 47A(1)(c) read with Sections 46 (4)(i) of the Banking Regulation Act, 1949.
3.	Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority	September 10, 2024
4.	Details of the violation(s) / contravention(s) committed or alleged to be committed	<ul style="list-style-type: none"> i. Opening savings deposit accounts in the name of ineligible entities; ii. Allotting multiple Customer Identification Code to its individual customers instead of a Unique Customer Identification Code for each customer; iii. Obtaining collateral security for agricultural loans of value less than Rs. 1.6 lakh; iv. Undertaking non-permissible business of 'providing technology services' by one of the wholly owned subsidiaries of the Bank.
5.	Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible	Rs. 1.91 Crore (Rupees One Crore Ninety-One Lakh only)



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

September 10, 2024

RBI imposes monetary penalty on Axis Bank Limited

The Reserve Bank of India (RBI) has, by an order dated September 3, 2024, imposed a monetary penalty of ₹1.91 crore (Rupees One crore and ninety-one lakh only) on Axis Bank Limited (the bank) for contravention of provisions of Section 19 (1) (a) of the Banking Regulation Act, 1949 (BR Act), and non-compliance with certain directions issued by RBI on 'Interest Rate on Deposits', '[Know Your Customer \(KYC\)](#)' and 'Credit Flow to Agriculture- Collateral free agricultural loans'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) of BR Act.

The Statutory Inspection for Supervisory Evaluation (ISE 2023) of the bank was conducted by RBI with reference to its financial position as on March 31, 2023 and a review of activities of its subsidiary company was carried out by RBI. Based on supervisory findings of contravention of provisions of BR Act and non-compliance with the RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the provisions of BR Act and RBI directions.

After considering the bank's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty:

- The bank opened certain savings deposit accounts in the name of ineligible entities;
- The bank had allotted multiple customer identification code to certain customers instead of a Unique Customer Identification Code (UCIC) for each customer;
- The bank had obtained collateral security for agricultural loans upto ₹1.60 lakh in certain cases; and
- A wholly owned subsidiary of the bank undertook business of technology service provider, which is not permissible business that can be undertaken by a banking company under Section 6 of the BR Act.

The action is based on deficiencies in statutory and regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.