

RBI imposes Rs 1 crore penalty on HDFC Bank

By: PTI

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The Reserve Bank of India has imposed a penalty of Rs 1 crore on [HDFC Bank](#) for non-compliance with Know Your Customer (KYC) norms, the central bank said on Wednesday.

The **RBI** in a release said that supervisory evaluation of the bank (2016-17) revealed that the HDFC Bank had “failed to exercise ongoing due diligence” with regards to 39 current accounts opened by its customers for bidding in Initial Public Offer.

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The RBI had issued a notice to the bank to show cause as to why penalty should not be imposed for non-compliance with the direction.

After considering the reply received from the bank and oral submissions made in the personal hearing, the RBI came to the conclusion that imposition of monetary penalty was warranted, the release said.

It further said the 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.

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