

PRESS RELEASE



PRESS RELATIONS DIVISION, Central Office, Post Box 406, Mumbai 400001
Phone: 2266 0502 Fax: 2266 0358, 2270 3279

RESERVE BANK OF INDIA

RBI on Internet: <http://www.rbi.org.in>

हिन्दी वेबसाइट <http://www.rbi.org.in/hindi>

Email: helpprd@rbi.org.in

April 25, 2007

Reserve Bank imposes Penalty on SBICI Bank Ltd for KYC Violations

The Reserve Bank of India has imposed a penalty of Rs. 10 lakh (Rupees ten lakh only) on SBI Commercial and International Bank Ltd. in exercise of the powers vested in RBI under the provisions of Section 47A (1) (b) of the Banking Regulation Act, 1949. Penalty of Rs. 5 lakh (Rupees five lakh only) each has been imposed for the following two violations:

- (i) non adherence to KYC norms while opening and operating IPO related accounts and not completing KYC procedure for existing accounts as required under RBI instructions; and
- (ii) the failure of bank's internal control systems to detect the lapses and despite advice by RBI for conducting internal review of IPO funding, its failure to detect the lapses and furnishing of wrong compliance to RBI instead.

2. The RBI had issued a show cause notice to the bank. In response thereto, the bank had submitted a written reply. On a careful examination of the bank's reply, the RBI found that the violations were conclusively established and the penalty was accordingly imposed.

G Raghuraj
Deputy General Manager

Press Release : 2006-2007/1469