



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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October 18, 2021

Reserve Bank of India imposes monetary penalty on State Bank of India

The Reserve Bank of India (RBI) has, by an order dated October 18, 2021, imposed a monetary penalty of **₹1 crore** (Rupees One Crore only) on State Bank of India (the bank) for non-compliance with the directions contained in '[Reserve Bank of India \(Frauds classification and reporting by commercial banks and select FIs\) directions 2016](#)'. This penalty has been imposed in exercise of powers vested in RBI under the provisions of section 47A (1) (c) read with sections 46(4)(i) and 51(1) 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

A scrutiny was carried out by the RBI in a customer account maintained with the bank and the examination of the scrutiny report and all related correspondence pertaining to the same, revealed, *inter alia*, non-compliance with the aforesaid directions to the extent of delay in reporting of fraud in the said account to RBI. In furtherance to the same, a notice was issued to the bank advising it to show cause why penalty should not be imposed on it for such non-compliance with the said directions.

After considering the bank's reply to the notice and oral submissions made by the bank in the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty, to the extent of non-compliance with the aforesaid directions.

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(Yogesh Dayal)
Chief General Manager