



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 07, 2021

RBI imposes monetary penalty on Punjab National Bank

The Reserve Bank of India (RBI) has imposed, by an order dated June 07, 2021, a monetary penalty of ₹2 crore (Rupees Two Crore only) on Punjab National Bank (the bank) for non-compliance of certain provisions of directions issued by RBI contained in the [Master Directions on "Frauds – Classification and Reporting by commercial banks and select FIs" dated July 01, 2016](#) and, the [circular on "Creation of a Central Repository of Large Common Exposures - Across Banks" dated September 11, 2013](#). The penalty has been imposed in exercise of powers vested in RBI under the provisions of 47A (1)(c) read with section 46(4)(i) and section 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

The statutory Inspection for Supervisory Evaluation (ISE) of the bank was conducted by RBI with reference to its financial position as on March 31, 2018 (ISE 2018) and March 31, 2019 (ISE 2019). The examination of the risk assessment reports pertaining to ISE 2018 and 2019 revealed non-compliance with/contravention of the aforesaid directions, viz., delay in reporting of frauds and not ensuring data accuracy and integrity while submitting data on CRILC platform/ to RBI. In furtherance to the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for such violations of the said directions.

After considering the bank's reply to the notice, oral submissions made in the personal hearing and examination of additional submissions submitted by the bank, RBI came to the conclusion that the charges of non-compliance with/contravention of the aforesaid RBI directions were substantiated and warranted imposition of monetary penalty.