



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

May 23, 2025

RBI imposes monetary penalty on Union Bank of India

The Reserve Bank of India (RBI) has, by an order dated May 23, 2025, imposed a monetary penalty of ₹63.60 lakh (Rupees Sixty Three Lakh Sixty Thousand only) on Union Bank of India (the bank) for non-compliance with the provisions of Section 26A of the Banking Regulation Act, 1949 (BR Act) and certain directions issued by RBI on '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) and Section 51(1) of the BR Act.

The Statutory Inspections for Supervisory Evaluation (ISE 2023 and 2024) of the bank was conducted by RBI with reference to its financial position as on March 31, 2023 and March 31, 2024. Based on supervisory findings of non-compliance with 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 said 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 that the following charges against the bank were sustained, warranting imposition of monetary penalty:

- i) The bank had not transferred eligible amounts to the Depositor Education and Awareness Fund within the prescribed period; and
- ii) The bank had obtained collateral security for agricultural loans amounting upto ₹1.60 lakh in certain cases.

This action is based on 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. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.