



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

June 14, 2024

RBI imposes monetary penalty on Sonali Bank PLC

The Reserve Bank of India (RBI) has, by an order dated June 10, 2024, imposed a monetary penalty of ₹96.40 Lakh (Rupees Ninety Six Lakh and Forty Thousand only) on Sonali Bank PLC (the bank) for contravention of sub-section (1) of Section 15 of the Credit Information Companies (Regulation) Act, 2005 [CIC (R) Act] and the directions issued by RBI under the provisions of the CIC (R) Act on 'Membership of Credit Information Companies (CICs)', non-compliance with the '[Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 2016](#)' and the directions issued by RBI on 'Time-bound implementation and strengthening of SWIFT – related operational controls'. This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949 (BR Act) and Section 25(1)(iii) read with Section 23(4) of the CIC (R) Act.

The Statutory Inspection for Supervisory Evaluation (ISE 2022) of the bank was conducted by RBI with reference to its financial position as on March 31, 2022 and Information Technology (IT) examination of the bank was carried out by RBI in March 2022. Based on supervisory findings of non-compliance with RBI directions, contravention of provisions of the CIC (R) Act 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 provisions of CIC (R) Act and the directions issued under BR Act and CIC (R) Act. After considering the bank's reply to the notice, oral submissions made during the personal hearing and examination of additional submissions made by it, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty. The bank had failed to (i) put in place a system of periodic review of risk categorisation of accounts, (ii) put in use a robust software throwing alerts for transactions inconsistent with risk categorisation and updated profile of the customers, (iii) implement certain SWIFT-related operational controls within the stipulated timelines and (iv) become a member of all the CICs within the stipulated timeline.

The action is based on deficiencies in statutory and regulatory compliance and is not intended to pronounce upon the validity of any transactions 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.