



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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August 12, 2024

RBI imposes monetary penalty on Union Bank of India

The Reserve Bank of India (RBI) has, by an order dated August 06, 2024, imposed a monetary penalty of ₹1,06,40,000 (Rupees One Crore, Six Lakh and Forty Thousand only) on Union Bank of India (the bank) for non-compliance with certain directions issued by RBI on 'Creation of a Central Repository of Large Common Exposures-Across Banks' and '[Know Your Customer \(KYC\)](#)'. This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of section 47 A (1) (c) read with sections 46 (4) (i) and section 51(1) of the Banking Regulation Act, 1949.

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. 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 maximum 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 and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty. The bank failed to (i) ensure data accuracy and integrity in CRILC reporting and (ii) carry out risk categorisation of certain customers.

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.

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(Puneet Pancholy)
Chief General Manager