



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

Website : [www.rbi.org.in](http://www.rbi.org.in)

इ-मेल email: [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

Department of Communication, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 022-2266 0502

August 05, 2019

**Reserve Bank of India imposes monetary penalty on eleven banks**

The Reserve Bank of India (RBI) has, by an order dated July 31, 2019, imposed monetary penalty on eleven banks for non-compliance with certain provisions of “Reserve Bank of India (Frauds classification and reporting by commercial banks and select FIs) directions 2016”, as detailed below:

Sl. No.	Name of the bank	Amount of penalty (₹ in crore)
1.	Bank of Baroda	0.5
2.	Corporation Bank	0.5
3.	Federal Bank Limited	0.5
4.	Indian Overseas Bank	1.0
5.	Jammu & Kashmir Bank Limited	0.5
6.	Oriental Bank of Commerce	1.5
7.	Punjab & Sind Bank	1.0
8.	Punjab National Bank	0.5
9.	State Bank of India	0.5
10.	UCO Bank	1.0
11.	United Bank of India	1.0

The penalties have 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, taking into account the failure of the banks to adhere to the aforesaid directions issued by RBI. 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 banks with their customers.

### **Background**

It was observed that despite having been advised by RBI to report fraud in an account 'immediately' in the backdrop of Central Bureau of Investigation (CBI) having initiated criminal proceedings, the banks had delayed/ did not report fraud to RBI resulting in non-compliance with directions issued by RBI as mentioned above. Notices were issued to the banks advising them to show cause as to why penalty should not be imposed for non-compliance with the directions. After considering the replies received from the banks, oral submissions made in the personal hearings, where sought by the banks, and examination of additional submissions, if any, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were sustained and warranted imposition of monetary penalty on aforementioned eleven banks, based on the extent of non-compliance in each bank.

**Press Release: 2019-2020/351**

**Yogesh Dayal**  
Chief General Manager