



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)

ई-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- 22660502

October 14, 2019

## Reserve Bank of India imposes monetary penalty on Syndicate Bank

The Reserve Bank of India (RBI) has imposed, by an order dated October 14, 2019, a monetary penalty of ₹75 lakh (Rupees Seventy Five Lakh) on Syndicate Bank (the bank) for non-compliance with the directions issued by RBI on (i) Frauds Classification and Reporting and (ii) Housing Sector: Innovative Housing Loan Products - Upfront disbursal of housing loans. This penalty has 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 bank to adhere to the aforesaid directions issued by RBI.

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.

### Background

The Return on Fraud filed by the bank with RBI revealed that the bank had failed to comply with certain provisions of directions issued by RBI on fraud reporting and disbursal of housing loans. Based on the findings, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with the directions issued by RBI. After considering the reply received from the bank and submissions made during the personal hearing, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)  
Chief General Manager