



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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March 26, 2025

RBI imposes monetary penalty on Punjab & Sind Bank

The Reserve Bank of India (RBI) has, by an order dated March 24, 2025, imposed a monetary penalty of ₹68.20 lakh (Rupees Sixty Eight Lakh Twenty Thousand only) on Punjab & Sind Bank (the bank) for non-compliance with certain directions issued by RBI on 'Creation of a Central Repository of Large Common Exposures – Across Banks' read with 'Central Repository of Information on Large Credits (CRILC) – Revision in Reporting' and 'Financial Inclusion - Access to Banking Services – Basic Savings Bank Deposit Account (BSBDA)'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47A(1)(c) read with Sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949.

The Statutory Inspection for Supervisory Evaluation (ISE 2023) of the bank was conducted by RBI with reference to its financial position as on March 31, 2023. 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 did not report certain borrowers with non-fund based exposure of ₹5 crore and above to CRILC; and
- ii) The bank allowed certain BSBDA holders to open Savings Bank Deposit Accounts.

The 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.