



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes monetary penalty on State Bank of India

The Reserve Bank of India (RBI) has, by an order dated April 29, 2025, imposed a monetary penalty of ₹1,72,80,000 (Rupees One Crore Seventy Two Lakh Eighty Thousand only) on State Bank of India (the bank) for non-compliance with certain directions issued by RBI on 'Loans and Advances- Statutory and Other Restrictions', 'Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions' and 'Opening of Current Accounts by Banks - Need for Discipline'. 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, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty:

- i) The bank extended a bridge loan to an entity against amounts receivable from the Central / State Government by way of subsidy / reimbursement;
- ii) The bank failed to (i) credit (shadow reversal) the amount involved in unauthorised electronic transactions to certain customer accounts within 10 working days from the date of notification by the customer and (ii) compensate certain customers within 90 days from the date of receipt of the complaint;
- iii) The bank opened / maintained certain current accounts in contravention of regulatory requirements.

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.