

**भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA**वेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

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RBI imposes monetary penalty on Punjab National Bank

The Reserve Bank of India (RBI) has, by an order dated October 30, 2023, imposed a monetary penalty of ₹72 lakh (Rupees Seventy Two lakh only) on Punjab National Bank (the bank) for non-compliance with certain provisions of '[Reserve Bank of India \(Interest Rate on Deposits\) Directions, 2016](#)', '[Reserve Bank of India \(Interest Rate on Advances\) Directions, 2016](#)' and '[Master Circular on Customer Service in Banks](#)'. 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 51(1) of the Banking Regulation Act, 1949.

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 bank with its customers.

Background

The Statutory Inspection for Supervisory Evaluation (ISE 2021) of the bank was conducted by RBI with reference to its financial position as on March 31, 2021. The examination of the Risk Assessment Report / Inspection Report pertaining to ISE 2021, and all related correspondence in that regard, revealed, *inter alia*, non-compliance with the aforesaid directions by the bank, to the extent it (i) levied SMS charges in certain accounts despite maintaining junk mobile numbers in the Core Banking Solution(CBS), (ii) did not pay interest rates strictly as per the schedule of interest rates disclosed in advance in several term deposit accounts, and (iii) failed to specify the interest reset date in MCLR-linked loans. Consequently, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for failure to comply with the said directions, as stated therein.

After considering the bank's reply to the notice, and oral submissions made during the personal hearing, RBI came to the conclusion that the charges of non-compliance with the aforesaid RBI directions were substantiated and warranted imposition of monetary penalty.