Frequent Penalties indicate lack of system driven preventive process controls for ensuring compliance

Year	Bank	Penalty	Non Compliance
2024	Punjab and Sind Bank	₹1 crore	it sanctioned a term loan to a Corporation (i) in lieu of or to substitute budgetary resources envisaged for certain projects; (ii) without undertaking due diligence on the viability and bankability of the projects to ensure that revenue streams from the projects were sufficient to take care of the debt servicing obligations; and (iii) the repayment / servicing of which was made out of budgetary resources.

Frequent Penalties indicate lack of system driven preventive process controls for ensuring compliance

Year	Bank	Penalty	Non Compliance
2023	Bank of Baroda	₹4.34 crore	to the extent it (i) failed to ensure accuracy and integrity of data on large exposures submitted to RBI with respect to some accounts, (ii) sanctioned a term loan to a Corporation (a) in lieu of or to substitute budgetary resources envisaged for certain projects; (b) without undertaking due diligence on the viability and bankability of the projects to ensure that revenue streams from the projects were sufficient to take care of the debt servicing obligations; and (c) the repayment / servicing of which was made out of budgetary resources, (iii) sanctioned a working capital demand loan to a Corporation against amounts receivable from government by way of subsidies, and (iv) did not pay interest rate on the deposits accepted from senior citizens, as per the schedule of interest rates disclosed in advance.

Frequent Penalties indicate lack of system driven preventive process controls for ensuring compliance

Year	Bank	Penalty	Non Compliance
2023	Indian Overseas Bank	₹1.00 Crore	(1) term loans to two Corporate entities (i) in lieu of or to substitute budgetary resources envisaged for certain projects; (ii) without undertaking due diligence on the viability and bankability of the projects to ensure that revenue streams from the projects were sufficient to take care of the debt servicing obligations; and (iii) the repayment/servicing of which was made out of budgetary resources, and (2) a term loan to another Corporate entity (i) without undertaking due diligence on the viability and bankability of the projects to ensure that revenue streams from the projects were sufficient to take care of the debt servicing obligations; and (ii) the repayment/servicing of which was made out of budgetary resources.
2023	Union Bank of India	₹1 Crore	sanctioned a term loan to a Corporation (i) in lieu of or to substitute budgetary resources envisaged for certain projects; (ii) without undertaking due diligence on the viability and bankability of the projects to ensure that revenue streams from the projects were sufficient to take care of the debt servicing obligations; and (iii) the repayment / servicing of which was made out of budgetary resources.

Frequent Penalties indicate lack of system driven preventive process controls for ensuring compliance

Year	Bank	Penalty	Non Compliance
2023	Indian Bank	₹1.62 crore	(1) sanctioned a term loan to a Corporation (i) in lieu of or to substitute budgetary resources envisaged for certain projects; (ii) without undertaking due diligence on the viability and bankability of the projects to ensure that revenue streams from the projects were sufficient to take care of the debt servicing obligations; and (iii) the repayment / servicing of which was made out of budgetary resources, (2) allowed operations and not closed several accounts opened using OTP based e-KYC in non-face-to-face mode, even after expiry of one year without conducting customer due diligence procedure, and (3) opened several savings accounts in the names of customers not eligible to maintain savings deposit account.

Frequent Penalties indicate lack of system driven preventive process controls for ensuring compliance

Year	Bank	Penalty	Non Compliance
2023	Bank of Maharashtra	₹1.45 Crore	(1) it sanctioned a term loan to a Corporation (i) in lieu of or to substitute budgetary resources envisaged for certain projects; (ii) without undertaking due diligence on the viability and bankability of the projects to ensure that revenue streams from the projects were sufficient to take care of the debt servicing obligations; and (iii) the repayment/servicing of which was made out of budgetary resources, and (2) it failed to implement required control measures for ATMs relating to end-to-end encryption of communication between the ATM terminal/PC and the ATM Switch, within the prescribed timeline.