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RBI slaps Rs 4 crore penalty on Citibank NA and Rs 1.45 crore on three other banks for flouting rules

BY [ATMADIP RAY](#), ET BUREAU | MAY 29, 2020, 08.56 PM IST

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KOLKATA: The [Reserve Bank of India](#) has slapped Rs 4 crore penalty on Citibank NA and Rs 1.45 crore on three urban cooperative banks for flouting [banking rules](#).

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The regulator said the penalty on Citibank was for not adhering to the directions related to customer credentials. It said that the lender overlooked its directions on obtaining declaration from customers about credit facilities enjoyed with other banks, granting non-fund based facilities to non-constituent borrowers, verifying data available in [CRILC](#) database and obtaining [No-Objection Certificate](#) (NOC) from lending banks at the time of opening current accounts, and submission of compliance to risk assessment findings.

“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,” RBI said Friday.

Earlier, the regulator had sent a notice to the bank asking to show cause as to why penalty should not be imposed for failure to comply with the directions issued by RBI. “After considering the bank’s reply to the notice, oral submissions made during the personal hearing and examination of additional submissions, RBI concluded that the aforesaid charges of contravention with the provisions of the Act and non-compliance with RBI directions warranted imposition of monetary penalty,” it said.

In parallel, RBI has levied Rs 60 lakh on Bharat Co-operative Bank (Mumbai), Rs 45 lakh on Thane’s TJSB Sahakari Bank and Rs Rs 40



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On Thursday, Bank of India and two other lenders were penalised for rule violation.

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