

**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 Bank of India

The Reserve Bank of India (RBI) has, by an order dated July 7, 2022, imposed a monetary penalty of ₹70 lakh (Rupees Seventy lakh only) on Bank of India. (the bank) for non-compliance with certain provisions of the '[Reserve Bank of India – \(Know Your Customer \(KYC\)\) Direction, 2016](#)' and circular instructions on 'Compliance Function in Banks' issued by RBI. This penalty has been imposed in exercise of powers vested in RBI under the provisions of section 47 A (1) (c) read with section 46 (4) (i) and Section 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) of the bank was conducted by RBI with reference to bank's financial position as on March 31, 2019, and the examination of the Risk Assessment Report 2019, Risk Mitigation Plan 2019 and all related correspondences pertaining to the same revealed, *inter alia*, non-compliance with the aforesaid RBI directions to the extent the bank failed to allot Unique Customer Identification Code (UCIC) to a large number of customers and failed to complete the process even within extended timelines. In furtherance to the same, 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 in the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty, to the extent of non-compliance with such directions.

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(Yogesh Dayal)
Chief General Manager