

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

संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

March 13, 2024

RBI imposes monetary penalty on Bank of India

The Reserve Bank of India (RBI) has, by an order dated February 26, 2024 imposed a monetary penalty of ₹1,40,76,000 (Rupees One Crore Forty Lakh Seventy Six Thousand only) on Bank of India (the bank) for non-compliance with certain directions issued by [RBI on 'Interest Rate on Deposits'](#), 'Customer Service in Banks', '[Interest Rate on Advances](#)', 'Central Repository of Information on Large Credits (CRILC) - Revision in Reporting', and 'Membership of Credit Information Companies (CICs)' and contravention of provisions of Credit Information Companies Rules, 2006 (CIC Rules). 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 and section 25(1)(iii) read with section 23(4) of the Credit Information Companies (Regulation) Act, 2005.

Background

The Statutory Inspection for Supervisory Evaluation of the bank was conducted by RBI with reference to its financial position as on March 31, 2021 (ISE 2021) and March 31, 2022 (ISE 2022). Based on supervisory findings of non-compliance with regulatory instructions/ statutory provisions 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 instructions. After considering the bank's reply to the notice, oral submissions made during the personal hearing and examination of additional submissions made by it, RBI found *inter alia* that the following charges against the bank were sustained warranting imposition of monetary penalty. The bank i) did not pay interest in certain term deposit accounts as per the schedule of interest rates disclosed in advance; (ii) had levied SMS alert charges from customers based on invalid mobile numbers and not on actual usage basis; (iii) failed to reset interest rates in MCLR and external benchmark linked advances at prescribed periodicity; (iv) failed to benchmark the interest on certain floating rate retail loans and floating rate loans to MSME, to an external benchmark rate; (v) failed to report or inaccurately reported data pertaining to certain large borrowers to CRILC and (vi) failed to furnish accurate information to Credit Information Companies (CICs).

The action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transactions 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.