

# RBI revised fine amount on Bank of India for non-compliance

The Reserve Bank of India ([RBI](#)) imposed a monetary penalty of Rs 5 crore on Bank of India, Karnataka Bank, and Saraswat Cooperative Bank for non-compliance based on IRAC norms.

The Bank of India was found guilty as per the results of the inspection done by RBI in the years 2017 and 2018. Now according to the reports the RBI has concluded that the preceding charges of non-compliance with RBI guidelines are considered as warranted charging of monetary penalties and RBI did not find the response satisfactory given by the Bank of India.

Similarly, RBI imposed penalties on two other banks namely, Karnataka Bank and Saraswat Cooperative Bank. A penalty of 1.2 crores is imposed on Karnataka Bank and this matter is also related to the inspection conducted in 2017 and 2018. These penalties were imposed by RBI under provisions of section 47A (1) (c) read with sections 46 (4) (i) and 51 (1) of the Banking Regulation Act, 1949 (the Act).

A penalty of Rs 30 lakh was imposed on Saraswat Cooperative Bank based on IRAC norms. These actions taken by banks were inappropriate and were based on the shortage in monitoring abidance and now they are not allowed to do any kind of transaction or any agreement with their customers. And now, it is invalid to do so. Strict actions are taken and are under RBI control. Also, they have to deposit the penalty amount before the given date.