



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

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March 27, 2026

## RBI imposes monetary penalty on Bank of India

The Reserve Bank of India (RBI) has, by an order dated March 23, 2026, imposed a monetary penalty of ₹58.50 lakh (Rupees Fifty Eight Lakh Fifty Thousand only) on Bank of India (the bank) for non-compliance with certain provisions of the directions issued by RBI on 'Priority Sector Lending (PSL) – Targets and Classification' and 'Interest Rate on Deposits'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 47A(1)(c) read with sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949.

The Statutory Inspection for Supervisory Evaluation (ISE 2025) of the bank was conducted by RBI with reference to its financial position as on March 31, 2025. Based on supervisory findings of non-compliance with RBI directions 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 said directions.

After considering the bank's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found that the following charges against the bank were sustained, warranting imposition of monetary penalty:

- i) the bank collected *ad-hoc* service charges / inspection charges / processing charges in certain priority sector loan accounts, having sanctioned amount up to ₹25,000/-; and
- ii) the bank did not pay interest on certain Term Deposit Receipts (TDRs) from the date of maturity till the date of their repayment.

The 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. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.