

RBI slaps Rs 3.5-Crore fine on Corp Bank, Allahabad Bank for flouting norms

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RBI has imposed a penalty of Rs 1.5 crore for not monitoring end use of funds, among other violations.

The Reserve Bank has imposed a cumulative penalty of Rs 3.5 crore on state-owned lenders Corporation Bank and Allahabad Bank for violation of various norms.

"This is to inform that Reserve Bank of India...has imposed an aggregate penalty of Rs 20 million on our bank due to some lapses in monitoring of end use of funds and exchange of information with other banks in respect of one borrower along with some other banks," Corporation Bank said in a regulatory filing Friday.

The bank has already taken necessary preventive measures to avoid such recurrence, it added.

Allahabad Bank said the RBI has imposed a penalty of Rs 1.5 crore for not monitoring end use of funds, among other violations.

"We have to inform you that the Reserve Bank of India...has imposed a penalty of Rs 1.5 crore on the bank for not monitoring the end use of funds, delay in classification and reporting of fraud and non-adherence with RBI guidelines during restructuring of accounts in respect of one of its borrowers," the bank said in a regulatory filing.

The amount of penalty is not material considering the size of the bank, it added.

The Kolkata-headquartered lender said it has taken necessary preventive measures to strengthen internal controls to avoid such recurrence.

Earlier this week, the regulator had imposed penalties on Axis Bank, UCO Bank and Syndicate Bank for violation of various norms.

The gross penalties on these three lenders amounted to Rs 5.20 crore.

Source [Link](#)