



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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### Reserve Bank of India imposes monetary penalty on Central Bank of India

The Reserve Bank of India (RBI) has imposed, by an order dated April 18, 2022 a monetary penalty of ₹36 lakh (Rupees Thirty six lakh only) on Central Bank of India (the bank) for non-compliance with certain directions issued by RBI on 'Customer Protection–Limiting Liability of Customers in Unauthorised Electronic Banking Transactions'. 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 its financial position as on March 31, 2020 and the examination of the Risk Assessment Report, Inspection Report and all related correspondences pertaining to the same, revealed, *inter alia*, non-compliance with the aforesaid directions to the extent the bank failed to credit (shadow reversal) the amount involved in the unauthorised electronic transaction to the customer's account within 10 working days from the date of notification by the customer. 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, oral submissions made in the personal hearing and examination of additional submissions made by it, RBI came to the conclusion that the aforesaid charge of non-compliance with the aforesaid RBI directions were substantiated and warranted imposition of monetary penalty, to the extent of non-compliance with such directions.