



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort,
Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

June 14, 2024

RBI imposes monetary penalty on Central Bank of India

The Reserve Bank of India (RBI) has, by an order dated June 11, 2024 imposed a monetary penalty of ₹1,45,50,000 (Rupees One Crore Forty Five Lakh Fifty Thousand only) on Central Bank of India (the bank) for non-compliance with certain directions issued by RBI on 'Loans and Advances – Statutory and Other Restrictions' and 'Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions'. 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 section 51(1) of the Banking Regulation Act, 1949.

The Statutory Inspection for Supervisory Evaluation (ISE 2022) of the bank was conducted by RBI with reference to its financial position as on March 31, 2022. 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 directions. 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) sanctioned a working capital demand loan to a Corporation against amounts receivable from Government by way of subsidies, and (ii) failed to credit (shadow reversal) the amount involved in a few instances of unauthorised electronic transaction to the customer's account within 10 working days from the date of notification by the customer and resolve complaints and provide compensation to certain customers within 90 days from the date of receipt of such complaints.

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.