



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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February 26, 2024

## **RBI imposes monetary penalty on Canara Bank**

The Reserve Bank of India (RBI) has, by an order dated February 06, 2024 imposed a monetary penalty of ₹32.30 lakh (Rupees Thirty two lakh thirty thousand only) on Canara Bank (the bank) for non-compliance with certain directions issued by RBI on 'Data Format for Furnishing of Credit Information to Credit Information Companies and other Regulatory Measures', 'Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)' and 'Resolution Framework - 2.0: Resolution of Covid-19 Related Stress of Individuals and Small Businesses'. This penalty has been imposed in exercise of powers vested in RBI under the provisions of section 47A(1)(c) read with sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949 and section 25(1)(iii) read with section 23(4) of the Credit Information Companies (Regulation) Act, 2005.

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 2022) of the bank was conducted by RBI with reference to its financial position as on March 31, 2022. The examination of the Risk Assessment Report/Inspection Report pertaining to ISE 2022, and all related correspondences in that regard, revealed, *inter alia*, non-compliance with the aforesaid directions by the bank, to the extent it (i) failed to rectify the rejected data and upload the same with the Credit Information Companies (CICs) within seven days of receipt of such rejection report from the CICs and (ii) restructured certain accounts which were not standard assets as on March 31, 2021 under the extant directions. Consequently, 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, and oral submissions made during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty.