

In August 2015, Securities and Exchange Board of India (SEBI) conducted an inspection of books of accounts and other documents pertaining to Debenture Trustee activity of the Bank for the period September 2009 to August 31, 2015. An Adjudication Officer (AO) was appointed on September 12, 2017 to enquire and adjudicate under the provision of Sections 15HB of SEBI Act for alleged violation of Regulations 13(a), 13A(a), 13A(b), 15(1A), 15(1)(n), of DT Regulations, Regulation 23(4), (5), (6) of SEBI ILDS Regulations and SEBI Circular No. MIRSD/DPS III/Cir-11/07 dated August 06, 2007.

Vide Order No. A&E/EAD/PM-RR/21248/1/2018 dated July 30, 2018 AO imposed a penalty of Rs. 3,00,000/- (Rupees Three Lakh ) on the Bank. The Bank has filed an appeal against the said order before Securities Appellate Tribunal (SAT) on 11th September, 2018 vide Appeal No. 386 of 2018.

The Securities Appellate Tribunal, Mumbai vide their order dated 09.09.2019 set aside the monetary penalty imposed and the Appellant i.e Central Bank of India was let off on censure for the violations.