

प्रेस प्रकाशनी PRESS RELEASE



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

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April 18, 2024

RBI imposes monetary penalty on The Kangra Co-operative Bank Ltd., New Delhi

The Reserve Bank of India (RBI) has, by an order dated April 10, 2024, imposed a monetary penalty of ₹5.00 lakh (Rupees Five Lakh only) on The Kangra Co-operative Bank Ltd., New Delhi (the bank) for non-compliance with the directions issued by RBI on 'Basic Cyber Security Framework for Primary (Urban) Cooperative Banks (UCBs), and 'Comprehensive Cyber Security Framework for Primary (Urban) Cooperative Banks (UCBs) - A Graded Approach'. This penalty has been imposed in exercise of powers vested in RBI, conferred under the provisions of section 47A(1)(c) read with sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

The IT examination and scrutiny of the bank was conducted by RBI and complemented by findings of CSIRT-Fin/CERT-In and CERT-In empanelled auditor with reference to a Cyber Security Incident reported by the bank. Based on the 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 said directions.

After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI found, *inter alia*, that the charge of not putting in place certain mandated controls under cyber security framework for UCBs was sustained, warranting imposition of monetary penalty.

This action is based on 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. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

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(Yogesh Dayal)
Chief General Manager