

प्रेस प्रकाशनी PRESS RELEASE



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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October 24, 2024

RBI imposes monetary penalty on Vidyasagar Central Co-operative Bank Limited, Midnapore, West Bengal

The Reserve Bank of India (RBI) has, by an order dated October 22, 2024, imposed a monetary penalty of ₹2.00 lakh (Rupees Two Lakh only) on Vidyasagar Central Co-operative Bank Limited, Midnapore, West Bengal (the bank) for non-compliance with the directions issued by RBI on 'Housing Finance'. This penalty has been imposed in exercise of powers vested in RBI, conferred under section 47A(1)(c) read with sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

The statutory inspection of the bank was conducted by the National Bank for Agriculture and Rural Development (NABARD) with reference to its financial position as on March 31, 2023. 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 said directions. After considering the bank's reply to the notice and oral submissions made by it during the personal hearing, RBI found, *inter alia*, that the following charge against the bank was sustained, warranting imposition of monetary penalty:

The bank had breached the exposure limit on Housing Finance.

This action is based on deficiency 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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(Puneet Pancholy)
Chief General Manager