



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

January 16, 2023

**RBI imposes monetary penalty on the District Co-operative Bank Limited,
Dehradun, Uttarakhand**

The Reserve Bank of India (RBI) has, by an order dated January 06, 2023, imposed a monetary penalty of ₹2.00 lakh (Rupees Two Lakh only) on the District Co-operative Bank Limited, Dehradun, Uttarakhand (the bank) for contravention of provisions of section 20 read with section 56 of the Banking Regulation Act, 1949. This penalty has been imposed in exercise of powers vested in RBI under the provisions of section 47 A (1) (c) read with section 46 (4) (i) and section 56 of the Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to the provisions of section 20 read with section 56 of the Banking Regulation Act, 1949.

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.

Background

The statutory inspection of the bank conducted by NABARD with reference to the bank's financial position as on March 31, 2021 revealed, inter alia, contravention of provisions of section 20 read with section 56 of the Banking Regulation Act, 1949 as the bank had granted unsecured loans/advances to individuals wherein Directors of the bank stood as guarantors. Based on the same, a Notice was issued to the bank advising it to show cause as to why penalty should not be imposed for contravention of the aforesaid statutory provisions.

After considering the bank's reply to the notice, submissions made during the personal hearing and additional information furnished pursuant to the personal hearing, RBI came to the conclusion that the aforesaid charge of contravention of provisions of section 20 read with section 56 of the Banking Regulation Act, 1949 was substantiated and warranted imposition of monetary penalty.