



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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March 07, 2022

**Reserve Bank of India imposes monetary penalty on
The Krishna District Cooperative Central Bank Ltd., Machilipatnam,
Krishna District, Andhra Pradesh**

The Reserve Bank of India (RBI) has imposed, by an order dated March 2, 2022, a monetary penalty of ₹2 lakh (Rupees two lakh only) on The Krishna District Cooperative Central Bank Ltd., Machilipatnam, Krishna District, Andhra Pradesh (the bank) for non-adherence / violation of certain directions issued by RBI contained in the Circular on 'Income Recognition, Asset Classification and Provisioning' and NABARD circular on 'Frauds-Guidelines for classification, reporting and monitoring of Frauds'. 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 aforesaid directions issued by RBI.

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 inspection report of the bank based on its financial position as on March 31, 2019 and March 31, 2020 revealed inter alia, violation / non-compliance with aforesaid directions. 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 non-compliance with the directions.

After considering the bank's reply and oral submissions during the personal hearing, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.