

**भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA**वेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-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

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RBI imposes monetary penalty on The District Co-operative Central Bank Ltd., Mahabubnagar, Telangana

The Reserve Bank of India (RBI) has, by an order dated November 15, 2023, imposed a monetary penalty of ₹10,000/- (Rupees Ten thousand only) on The District Co-operative Central Bank Ltd., Mahabubnagar, Telangana (the bank) for non-compliance with the directions issued by the National Bank for Agriculture and Rural Development (NABARD) on 'Review of Frauds – Guidelines on Monitoring and Reporting System' read with 'Frauds - Guidelines for Classification, Reporting and Monitoring of Frauds'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47-A (1) (c) read with Sections 46 (4) (i) and 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 its financial position as on March 31, 2022, and examination of the Inspection Report, and all correspondence related thereto revealed, *inter alia*, that the bank had not reported cases of fraud to NABARD within the stipulated timeline. Consequently, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for non-compliance with the aforesaid directions, as stated therein.

After considering the bank's reply to the notice and oral submissions made by it during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid NABARD directions was substantiated and warranted imposition of monetary penalty on the bank.

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(Yogesh Dayal)
Chief General Manager