



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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January 30, 2025

RBI imposes monetary penalty on The Odisha State Co-operative Bank Ltd.

The Reserve Bank of India (RBI) has, by an order dated January 28, 2025, imposed a monetary penalty of ₹4.00 lakh (Rupees Four Lakh only) on The Odisha State Co-operative Bank Ltd., (the bank) for non-compliance with the provisions of Section 9 and Section 26A of the Banking Regulation Act, 1949 (BR Act). This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) and 56 of BR Act.

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 contravention of statutory provisions 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 contravention of provisions of the BR Act. After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty:

The bank had:

- i) failed to dispose of certain Non-Banking Assets within the prescribed period; and
- ii) failed to transfer eligible unclaimed amounts to the Depositor Education and Awareness Fund within the prescribed time.

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.

Press Release: 2024-2025/2042

(Puneet Pancholy)
Chief General Manager