



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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February 22, 2024

**RBI imposes monetary penalty on Hanamasagar Urban Co-operative Bank Ltd.,  
Hanamasagar, Karnataka**

The Reserve Bank of India (RBI) has, by an order dated February 14, 2024, imposed a monetary penalty of ₹50,000/- (Rupees Fifty thousand only) on Hanamasagar Urban Co-operative Bank Ltd., Hanamasagar, Karnataka (the bank) for non-compliance with the directions issued by RBI on “Frauds in UCBs: Changes in Monitoring and Reporting mechanism” read with the directions issued by RBI on “Master Circular on Frauds-Classification and Reporting” and “Reporting of Frauds on XBRL-FMR submission, FMR 2 discontinuation and introduction of FMR-3”. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 47A(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 RBI with reference to its financial position as on March 31, 2022, and examination of the Inspection Report, Risk Assessment Report and all correspondence related thereto revealed, *inter alia*, that the bank had not reported a case of fraud to RBI 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 RBI 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 directions issued by RBI was substantiated and warranted imposition of monetary penalty on the bank.