



**भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA**

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March 28, 2025

**RBI imposes monetary penalty on The Kangra Central Co-operative Bank Ltd.,
Himachal Pradesh**

The Reserve Bank of India (RBI) has, by an order dated March 27, 2025, imposed a monetary penalty of ₹25.00 lakh (Rupees Twenty Five Lakh only) on The Kangra Central Co-operative Bank Ltd., Himachal Pradesh (the bank) for non-compliance with the conditions subject to which the banking license was issued to it by RBI. 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.

The statutory inspection of the bank was conducted by National Bank for Agriculture and Rural Development (NABARD) with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with the conditions of banking license issued by RBI 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 its failure to comply with the said licensing conditions. After considering the bank's reply to the notice, RBI found, *inter alia*, that the following charge against the bank was sustained, warranting imposition of monetary penalty:

The bank had extended loans outside its area of operation in violation of conditions of the banking license.

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.

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(Puneet Pancholy)
Chief General Manager