



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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October 28, 2024

RBI imposes monetary penalty on The Gondia District Central Co-operative Bank Ltd., Maharashtra

The Reserve Bank of India (RBI) has, by an order dated October 21, 2024, imposed a monetary penalty of ₹2.60 lakh (Rupees Two lakh sixty thousand only) on The Gondia District Central Co-operative Bank Ltd., Maharashtra (the bank) for contravention of the provisions of section 20 read with section 56 of the Banking Regulation Act, 1949 (BR Act) and non-compliance with certain directions issued by RBI on 'Membership of Credit Information Companies (CICs) by Co-operative Banks'. This penalty has been imposed in exercise of powers vested in RBI, conferred under section 47A(1)(c) read with sections 46(4)(i) and section 56 of the BR Act and section 25 of the Credit Information Companies (Regulation) Act, 2005.

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 / non-compliance with RBI directions 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 provisions/directions.

After considering the bank's reply to the notice, oral submissions made during the personal hearing and examination of additional submissions made by it, RBI found, inter alia, that the following charges against the bank were sustained, warranting imposition of monetary penalty:

The bank had:

- i) sanctioned a loan to its director; and
- ii) failed to obtain the membership of three CICs.

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.