



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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February 24, 2025

RBI imposes monetary penalty on The Gulbarga and Yadgir District Co-operative Central Bank Ltd., Karnataka

The Reserve Bank of India (RBI) has, by an order dated February 18, 2025, imposed a monetary penalty of ₹50,000/- (Rupees Fifty thousand only) on The Gulbarga and Yadgir District Co-operative Central Bank Ltd., Karnataka (the bank) for non-compliance with certain directions issued by the National Bank for Agriculture and Rural Development (NABARD) in exercise of powers conferred under Section 27(3) read with Section 56 of the Banking Regulation Act, 1949 (BR Act) on 'Offsite Surveillance System-Revision of Due dates for Submission of OSS/FMS Returns'. 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 BR Act.

The statutory inspection of the bank was conducted by NABARD with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with NABARD directions issued under 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 its failure to comply with the said directions. After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charge against the bank was sustained, warranting imposition of monetary penalty:

The bank had failed to submit the statutory returns to NABARD within the prescribed timeline.

This action is based on deficiencies in statutory 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.