



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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March 23, 2026

## RBI imposes monetary penalty on The Mysore and Chamarajnagar District Co-operative Central Bank Limited, Karnataka

The Reserve Bank of India (RBI) has, by an order dated March 20, 2026, imposed a monetary penalty of ₹1 lakh (Rupees One Lakh only) on The Mysore and Chamarajnagar District Co-operative Central Bank Limited, Karnataka (the bank) for contravention of provisions of Section 19 read with Section 56 of the Banking Regulation Act, 1949 (BR Act) and non-compliance with certain directions issued by RBI on 'Know Your Customer (KYC)'. 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 National Bank for Agriculture and Rural Development (NABARD) with reference to its financial position as on March 31, 2025. 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 and 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 charges against the bank were sustained, warranting imposition of monetary penalty:

The bank had:

- i) held shares in a co-operative society in contravention of BR Act; and
- ii) failed to upload the KYC records of customers onto Central KYC Records Registry (CKYCR) within the prescribed timeline.

This action is based on deficiencies in statutory and 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.