



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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August 13, 2021

RBI imposes monetary penalty on Madhya Pradesh Rajya Sahakari Bank Maryadit, Bhopal, Madhya Pradesh

The Reserve Bank of India (RBI) has, by an order dated August 12, 2021, imposed a monetary penalty of ₹25.00 Lakh (Rupees Twenty-Five Lakh only) on Madhya Pradesh Rajya Sahakari Bank Maryadit, Bhopal, Madhya Pradesh (the bank) for non-compliance with regulatory directions issued by NABARD contained in "Review of Frauds - Guidelines on Monitoring and Reporting System". This penalty has been imposed in exercise of powers vested in RBI under section 47 A (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 the National Bank for Agriculture and Rural Development (NABARD) with reference to the bank's financial position as on March 31, 2019 and the Inspection Report (IR) pertaining thereto, and examination of all related correspondence regarding reporting of frauds, revealed, inter alia, non-compliance with aforesaid directions issued by NABARD, in contravention of the provisions of the Act. In furtherance to the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed for contravention of the provisions of the Act/ directions issued by NABARD. After considering the bank's reply to the notice, oral submissions made in the personal hearing and written submission forwarded thereafter, RBI came to the conclusion that the aforesaid charge was substantiated and warranted imposition of monetary penalty.

Press Release: 2021-2022/697

(Yogesh Dayal)
Chief General Manager