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18 JUNE 2026

RBI cancels UCB licence

KYC penalty on a DCCB.
3-day VRR announced.

18 June

BANKING CEASES

**Rs 1.50
lakh**

PENALTY

**Rs 1 lakh
cr**

VRR

Original concept illustration | Facts from cited sources

Licence

Gokak bank.

KYC

DCCB penalty.

Price of the Edition: Complimentary Copy

Designed and prepared by CrackExam.co.in Team

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Research cutoff: 18 June 2026, sources dated 15 to 18 June 2026

Editor's briefing and contents

RBI supervisory actions on two Karnataka co-operative banks and a liquidity auction lead this edition.

Research cutoff: 18 June 2026, sources dated 15 to 18 June 2026

Banking and RBI / 3

Rapid revision and vocabulary / 4

Sources and publication information / 4

Reading guide

3 verified stories, each linked to its source. Earlier developments are explicitly carried forward. Not every possible update is covered. The separate 8-question test uses this same dataset. Original practice, not an actual previous-year paper.



Banking and RBI

RBI cancels licence of Shree Mahalaxmi Urban Co-operative Credit Bank, Gokak, Karnataka

18 June 2026 | Reserve Bank of India

The RBI, by an order dated 16 June 2026, cancelled the licence of Shree Mahalaxmi Urban Co-operative Credit Bank Ltd., Gokak, Karnataka, under Section 22 read with Section 56 of the Banking Regulation Act, 1949. The bank ceases to carry on banking business from the close of business on 18 June 2026. The Registrar of Co-operative Societies, Karnataka has been requested to order winding up and appoint a liquidator.

The Economic Times reported that the bank's financial condition had deteriorated and that about 97.9 per cent of depositors are expected to receive their full deposits from DICGC on liquidation.

Key facts

Licence cancelled: Shree Mahalaxmi UCCB, Gokak (order dated 16 June 2026)

Law: Section 22 with Section 56, BR Act, 1949

Banking business ceases: close of business, 18 June 2026

DICGC: about 97.9% of depositors fully covered (per ET)

Exam takeaway: RBI can cancel a bank's licence under Section 22 of the BR Act; DICGC insures deposits up to Rs 5 lakh.

One-minute recall: RBI cancels licence of Shree Mahalaxmi UCCB, Gokak; closure from 18 June 2026.

Reserve Bank of India

RBI imposes Rs 1.50 lakh penalty on Chitradurga District Co-operative Central Bank for KYC non-compliance

18 June 2026 | Reserve Bank of India

An RBI press release of 18 June 2026 says the RBI, by an order dated 15 June 2026, imposed a monetary penalty of Rs 1.50 lakh on The Chitradurga District Co-operative Central Bank Ltd., Karnataka, for contravening Section 20 read with Section 56 of the Banking Regulation Act, 1949 and not complying with RBI directions on Know Your Customer (KYC).

The penalty was imposed under Section 47A(1)(c) read with Sections 46(4)(i) and 56 of the BR Act. NABARD conducted the statutory inspection with reference to the bank's financial position as on 31 March 2025.

Key facts

Bank: Chitradurga District Co-operative Central Bank Ltd., Karnataka

Penalty: Rs 1.50 lakh (order dated 15 June 2026)

Reason: Section 20 contravention and KYC non-compliance

Inspection by: NABARD, position as on 31 March 2025

Exam takeaway: RBI penalties are regulatory and do not by themselves affect the validity of transactions.

One-minute recall: RBI penalty Rs 1.50 lakh on Chitradurga DCCB, 18 June 2026.

Reserve Bank of India

RBI announces 3-day VRR auction of Rs 1,00,000 crore for 19 June 2026

18 June 2026 | Reserve Bank of India

The RBI announced on 18 June 2026 that, on a review of liquidity conditions, it would conduct a 3-day Variable Rate Repo (VRR) auction under the LAF on Friday, 19 June 2026, for a notified amount of Rs 1,00,000 crore, with reversal on 22 June 2026.

The RBI also announced an underwriting auction on 19 June for government securities worth Rs 32,000 crore (6.03% GS 2029, 6.68% GS 2033, 7.24% GS 2055 and 7.50% GOI SGrB 2056).

Key facts

VRR: 3-day, Rs 1,00,000 crore, auction 19 June 2026

Reversal: 22 June 2026

Window: 9:30 AM to 10:00 AM

G-Sec underwriting auction 19 June: Rs 32,000 crore

Exam takeaway: VRR is a variable rate repo through which RBI injects liquidity for a set tenor.

One-minute recall: RBI 3-day VRR Rs 1 lakh crore announced for 19 June 2026.

Reserve Bank of India

Rapid revision and vocabulary

RBI cancels licence of Shree Mahalaxmi UCCB, Gokak; closure from 18 June 2026.

RBI penalty Rs 1.50 lakh on Chitradurga DCCB, 18 June 2026.

RBI 3-day VRR Rs 1 lakh crore announced for 19 June 2026.

Licence cancellation: RBI ends a bank's right to do banking.

DICGC: Deposit Insurance and Credit Guarantee Corporation.

KYC: Know Your Customer.

DCCB: District Central Co-operative Bank.

VRR: Variable Rate Repo.

Rapid-revision prompts

Which licence was cancelled?

What was the KYC penalty?

What is VRR?

Sources and publication information

Every figure comes from the linked source page for that story. Where an official page was not read, the story names the publication that reported it. Items we could not verify, or whose outcome was not settled, were left out. This edition has 3 stories because that is what we could verify for the day.

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