प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001
Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

October 06, 2023

RBI imposes monetary penalty on Vidyasagar Central Co-operative Bank Limited, Midnapore, West Bengal

The Reserve Bank of India (RBI) has imposed, by an order dated September 14, 2023, a monetary penalty of ₹1.50 Lakh (Rupees One Lakh and Fifty Thousand only) on Vidyasagar Central Co-operative Bank Limited, Midnapore, West Bengal (the bank) for non-compliance with the directions issued by RBI on “Housing Finance”. This penalty has been imposed in exercise of powers vested in RBI under the provisions of 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 NABARD with reference to its financial position as on March 31, 2022, inspection report pertaining thereto and examination of all related correspondence revealed, *inter alia*, that the bank had failed to comply with RBI directions limiting the quantum of housing loan that can be granted to an individual borrower by a District Central Co-operative Bank. Based on the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for non-compliance with the RBI directions, as stated therein.

After considering the bank’s reply to the notice, additional submissions and oral submissions made by it during the personal hearing, RBI came to the conclusion that the aforementioned charge of non-compliance with the RBI directions was substantiated and warranted imposition of monetary penalty.

(Yogesh Dayal)
Chief General Manager

Press Release: 2023-2024/1067

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October 06, 2023

RBI imposes monetary penalty on The Santragachi Co-operative Bank Ltd., West Bengal

The Reserve Bank of India (RBI) has imposed, by an order dated September 14, 2023 a monetary penalty of ₹1.00 Lakh (Rupees One Lakh only) on The Santragachi Co-operative Bank Ltd., West Bengal (the bank) for non-compliance with the directions issued by RBI on 'Exposure Norms and Statutory/Other Restrictions - UCBs'. This penalty has been imposed in exercise of powers vested in RBI under the provisions of 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 RBI with reference to its financial position as on March 31, 2022, and examination of the Inspection Report revealed, *inter alia*, that the bank had breached prudential inter-bank (gross) exposure limit and prudential inter-bank counter-party exposure limit. Based on the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for failure to comply with the RBI directions, as stated therein.

After considering the bank's reply to the notice, additional submissions and oral submissions made by it during the personal hearing, RBI came to the conclusion that the aforementioned charge of non-compliance with the RBI directions was substantiated and warranted imposition of monetary penalty.

(Yogesh Dayal)
Chief General Manager

Press Release: 2023-2024/1063

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Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

October 06, 2023

RBI imposes monetary penalty on The Gandevi People's Co-operative Bank Ltd., Navsari, Gujarat

The Reserve Bank of India (RBI) has imposed, by an order dated September 01, 2023, a monetary penalty of ₹2.00 Lakh (Rupees Two Lakh only) on The Gandevi People's Co-operative Bank Ltd., Navsari, Gujarat (the bank) for non-compliance with the directions issued by RBI on 'Placement of Deposits with Other Banks by Primary (Urban) Co-operative Banks (UCBs)' and 'Frauds in UCBs: Changes in Monitoring and Reporting mechanism'. This penalty has been imposed in exercise of powers vested in the RBI under the provisions of 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 RBI with reference to its financial position as on March 31, 2022, and examination of the Inspection Report, Risk Assessment Report and all correspondence related thereto revealed, *inter alia*, that the bank (i) had breached prudential inter-bank counterparty exposure limit, and (ii) did not report a fraud case to the RBI within the prescribed timeline. 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 on it for failure to comply with the directions, as stated therein.

After considering the bank's reply to the notice and oral submissions made by it during the personal hearing, RBI came to the conclusion that the aforesaid charge of non-compliance with the RBI directions was substantiated and warranted imposition of monetary penalty.

(Yogesh Dayal)
Chief General Manager

Press Release: 2023-2024/1065

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Azadi Ka Amrit Mahotsav

October 06, 2023

RBI imposes monetary penalty on The Karnavati Co-operative Bank Ltd., Ahmedabad, Gujarat

The Reserve Bank of India (RBI) has, by an order dated August 31, 2023, imposed a monetary penalty of ₹1.50 Lakh (Rupees One Lakh Fifty Thousand only) on The Karnavati Co-operative Bank Ltd., Ahmedabad, Gujarat (the bank) for non-compliance with the directions issued by RBI on 'Loans and advances to directors, relatives and firms/concerns in which they are interested' read with 'Loans and advances to directors etc.- directors as surety/guarantors- Clarification', and 'Frauds in UCBs: Changes in Monitoring and Reporting mechanism'. This penalty has been imposed in exercise of powers vested in the RBI under the provisions of 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 RBI with reference to its financial position as on March 31, 2022, and examination of the Inspection Report, Risk Assessment Report and all correspondence pertaining to the same, revealed, *inter alia*, that the bank had (i) sanctioned a loan wherein relative of one of the directors of the bank stood as guarantor, and (ii) not reported a fraud case to RBI within prescribed timeline. 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 on it for failure to comply with the directions, as stated therein.

After considering the bank's reply to the notice and oral submissions made by it during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty.

(Yogesh Dayal)
Chief General Manager

Press Release: 2023-2024/1066