



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

इ-मेल email: helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001
फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

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**RBI imposes penalty on
Sri Ganesh Co-operative Bank Ltd., Gulbarga, Karnataka**

The Reserve Bank of India has imposed a monetary penalty of ₹ 15.00 lakh (Rupees Fifteen lakh only) on Sri Ganesh Co-operative Bank Ltd., Gulbarga, Karnataka, in exercise of powers vested in it under the provisions of Section 47 A (1) (b) read with Section 46 (4) of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies) for violation of Reserve Bank of India's instructions for violating Know Your Customers (KYC)/Anti Money Laundering (AML) Guidelines in issuing 'at par cheques' to large number of walk-in-customers by intentionally structuring them below ₹ 50,000/-. Further, it had opened benami accounts and allowed huge cash deposits in such accounts.

The Reserve Bank of India had issued a Show Cause Notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case and bank's reply in the matter, the Reserve Bank came to the conclusion that the violations were established beyond doubt and warranted imposition of the penalty.

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Ajit Prasad
Assistant General Manager