



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



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 09, 2023

RBI Imposes Monetary Penalty on The Gadhinglaj Urban Co-operative Bank Limited, Gadhinglaj, (Maharashtra) (Revised)

The Reserve Bank of India (RBI) has, by an order dated September 14, 2023 imposed a monetary penalty of ₹3.00 lakh (Rupees Three lakh only) on The Gadhinglaj Urban Co-operative Bank Ltd., Gadhinglaj (the bank) for contravention of Section 26A read with Section 56 of the Banking Regulation Act, 1949 (BR Act) and [Know Your Customer Directions](#) issued by RBI. This penalty has been imposed in exercise of powers conferred on RBI under Section 47A(1)(c) read with Sections 46(4)(i) and 56 of the BR Act.

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 Risk Assessment Report and all correspondence related thereto, revealed, *inter alia*, that the bank (i) did not transfer eligible amounts to Depositor Education and Awareness Fund, and (ii) allotted multiple UCICs to its customers. 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 direction, as stated therein.

After considering the bank's reply to the notice, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager