



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

January 02, 2023

RBI imposes monetary penalty on The Baghat Urban Co-operative Bank Limited, Solan, Himachal Pradesh

The Reserve Bank of India (RBI) has, by an order dated December 27, 2022, imposed a monetary penalty of ₹8.00 lakh (Rupees Eight Lakh only) on The Baghat Urban Co-operative Bank Limited, Solan, Himachal Pradesh (the bank) for contravention of section 35A and section 36 (1) (a) read with section 56 of the Banking Regulation Act, 1949 as the bank failed to comply with specific directions issued to it by RBI under Supervisory Action Framework (SAF). This penalty has been imposed in exercise of powers vested in RBI under the provisions of section 47 A (1) (c) read with section 46 (4) (i) and section 56 of the Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

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 Inspection Report and Risk Assessment Report of the bank based on its financial position as on March 31, 2021, revealed, inter alia, non-compliance with specific directions issued to the bank by RBI under Supervisory Action Framework (SAF). Based on the same, a Notice was issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with the said directions.

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