



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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February 13, 2023

RBI imposes monetary penalty on The Vaidyanath Urban Co-operative Bank Limited, Parli Vaijnath, Beed (Maharashtra)

The Reserve Bank of India (RBI) has imposed, by an order dated February 07, 2023, a monetary penalty of ₹1.50 lakh (Rupees One lakh fifty thousand only) on The Vaidyanath Urban Co-operative Bank Ltd., Beed (Maharashtra) (the bank) for non-adherence/violation of specific directions issued to the bank by the RBI under Supervisory Action Framework (SAF) under section 36 (1) read with section 56 of the Banking Regulation Act, 1949 (the Act). 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 Act, 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 of the bank based on its financial position as on March 31, 2021, revealed, *inter alia*, that the bank had made a donation in violation of the Operational Instructions issued by the RBI under 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 directions.

After considering the bank's replies and oral submissions made during 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.

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(Yogesh Dayal)
Chief General Manager