



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 26, 2023

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

The Reserve Bank of India (RBI) has imposed, by an order dated June 21, 2023, a monetary penalty of ₹2,50,000/- (Rupees Two Lakh Fifty Thousand only) on The Uttarpara Co-operative Bank Ltd., West Bengal (the bank) for contravention of/ non-adherence with the directions issued by RBI on "Exposure Norms and Statutory / Other Restrictions – UCBs" and "Know Your Customer (KYC)". 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 of the bank conducted by RBI with reference to its financial position as on March 31, 2022, revealed, *inter alia*, that the bank had failed to comply with RBI directions on (i) Prudential Inter-bank Counter-Party Limit, (ii) Prudential Inter-bank (Gross) Exposure Limit, and (iii) allotment of Unique Customer Identification Code (UCIC). 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 aforesaid directions.

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