



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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August 08, 2022

**RBI imposes monetary penalty on Warud Urban Co-operative Bank Ltd.,  
Warud (Maharashtra)**

The Reserve Bank of India (RBI) has imposed, by an order dated August 05, 2022, a monetary penalty of ₹1.00 lakh (Rupees One lakh only) on Warud Urban Co-operative Bank Ltd., Warud, Maharashtra (the bank) for contravention of/non-compliance with the directions issued by the RBI to Urban Co-operative Banks on Exposure Norms & Statutory/Other Restrictions 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 Risk Assessment Report of the bank based on its financial position as on March 31, 2021, revealed, *inter alia*, that the bank had (i) not complied with the prudential inter-bank counter party limit and (ii) not put in place a robust software for effective identification and reporting of suspicious transactions in contravention of/non-compliance with the directions issued by RBI on Exposure Norms & Statutory/Other Restrictions-UCBs and [Know Your Customer \(KYC\)](#). Based on 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 non-compliance with the directions.

After considering the bank's replies and oral submissions made during personal hearing, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty