



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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August 01, 2024

**RBI imposes monetary penalty on Alibag Co-operative Urban Bank Limited,
Alibag, Maharashtra**

The Reserve Bank of India (RBI) has, by an order dated July 24, 2024, imposed a monetary penalty of ₹2.00 lakh (Rupees Two lakh only) on Alibag Co-operative Urban Bank Limited, Alibag for non-compliance with certain directions issued by RBI on 'Management of Advances-UCBs'. This penalty has been imposed in exercise of powers vested in RBI, conferred under section 47A(1)(c) read with sections 46(4)(i) and 56 of the BR Act.

The statutory inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the bank's reply to the notice, and oral submissions made during the personal hearing, RBI found, *inter alia*, that the charge of sanctioning gold loans beyond prescribed regulatory limit under bullet repayment scheme was sustained, warranting imposition of monetary penalty.

This action is based on the 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. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

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(Puneet Pancholy)
Chief General Manager