



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

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August 29, 2024

**RBI imposes monetary penalty on Uttarkashi Zila Sahkari Bank Ltd.,  
Uttarkashi, Uttarakhand**

The Reserve Bank of India (RBI) has, by an order dated August 23, 2024, imposed a monetary penalty of ₹2.00 lakh (Rupees Two lakh only) on the Uttarkashi Zila Sahkari Bank Ltd., Uttarkashi (the bank) for contravention of the provisions of section 20(1) and section 26A(2) read with section 56 of the Banking Regulation Act, 1949 (BR Act). This penalty has been imposed in exercise of powers vested in RBI, conferred under the provisions of 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 National Bank for Agriculture and Rural Development (NABARD) with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with statutory provisions 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 contravention of provisions of the BR Act.

After considering the bank's reply to the notice and oral submissions made by it during the personal hearing, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty: The bank had (i) sanctioned loans to individuals wherein one of its directors stood as guarantor, and (ii) not transferred eligible amounts to the Depositor Education and Awareness Fund within the prescribed period.

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