

**भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA**वेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

December 28, 2023

**RBI imposes monetary penalty on Vidyananad Co-operative Bank Limited
Solapur (Maharashtra)**

The Reserve Bank of India (RBI) has, by an order dated December 07, 2023, imposed a monetary penalty of ₹1.00 lakh (Rupees One lakh only) on Vidyanand Co-operative Bank Limited, Solapur, Maharashtra (the bank), for non-compliance with the directions issued by RBI on 'Exposure Norms & Statutory/Other Restrictions - UCBs' read with RBI directions on 'Placement of Deposits with Other Banks by Primary (Urban) Co-operative Banks (UCBs)' and 'Investments by Primary (Urban) Co-operative Banks'. This penalty has been imposed in exercise of powers conferred on RBI under section 47A(1)(c) read with sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

This action is based on deficiency 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 statutory inspection of the bank conducted by RBI with reference to its financial position as on March 31, 2022, and examination of the Risk Assessment Report and all correspondence related thereto revealed, *inter alia*, that the bank had breached the prudential inter-bank gross exposure limit. Consequently, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for failure to comply with the said directions, as stated therein.

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