



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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## RBI imposes monetary penalty on The Ghatal Peoples Co-operative Bank Limited, West Bengal

The Reserve Bank of India (RBI) has, by an order dated September 21, 2023, imposed a monetary penalty of ₹1.50 lakh (Rupees One lakh Fifty thousand only) on The Ghatal Peoples Co-operative Bank Limited, West Bengal (the bank) for non-compliance with directions issued by RBI on 'Membership of Credit Information Companies (CICs)', 'Exposure Norms and Statutory/Other Restrictions - UCBs', '[Reserve Bank of India – \(Know Your Customer \(KYC\)\) Directions, 2016](#)' and for contravention of the provisions of section 26-A of the Banking Regulation Act, 1949 (BR Act) read with directions issued by RBI on 'The Depositor Education and Awareness Fund Scheme, 2014 –Section 26A of Banking Regulation Act, 1949 - Operational Guidelines'. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47-A (1) (c) read with Sections 46 (4) (i) and 56 of the BR Act and Section 25 (1) (iii) read with Section 23 (4) of the Credit Information Companies (Regulation) Act, 2005.

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 statutory inspection of the bank conducted by RBI with reference to its financial position as on March 31, 2022, and examination of the Inspection Report, Risk Assessment Report and all correspondence related thereto revealed, *inter alia*, that the bank had (i) failed to upload credit information to CICs, (ii) breached prudential inter-bank counter-party exposure limit, (iii) not put in place a system of periodic review of risk categorisation of accounts, and (iv) not transferred all eligible amounts to the Depositor Education and Awareness Fund. Consequently, 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 aforementioned directions, as stated therein.

After considering the bank's reply to the notice, additional submissions 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 and statutory provision was substantiated and warranted imposition of monetary penalty on the bank.