



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-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

June 10, 2024

RBI imposes monetary penalty on The Angul United Central Co-operative Bank Ltd., Odisha

The Reserve Bank of India (RBI) has, by an order dated June 03, 2024, imposed a monetary penalty of ₹1,00,000/- (Rupees One Lakh only) on The Angul United Central Co-operative Bank Ltd., Odisha (the bank) for non-compliance with the [Master Direction issued by RBI on 'Know your Customer \(KYC\) Direction, 2016'](#). This penalty has been imposed in exercise of powers vested in RBI, conferred under the provisions of section 47 A (1) (c) read with sections 46 (4) (i) and 56 of the Banking Regulation Act, 1949.

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 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 direction. After considering the bank's reply to the notice, oral submissions made during the personal hearing and examination of additional submissions made by it, RBI found, *inter alia*, that the bank failed to implement a system of risk-based approach for undertaking periodic updation of KYC, warranting imposition of monetary penalty.

This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transactions or agreement entered 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.

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(Puneet Pancholy)
Chief General Manager