



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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

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August 01, 2024

RBI imposes monetary penalty on The Hindusthan Co-operative Bank Limited, Mumbai, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated July 24, 2024, imposed a monetary penalty of ₹4.00 lakh (Rupees Four lakh only) on The Hindusthan Co-operative Bank Limited, Mumbai, for non-compliance with certain directions issued by RBI on 'Exposure Norms and Statutory / Other Restrictions - UCBs', 'Limits on exposure to single and group borrowers/parties and large exposures -UCBs' and 'Know Your Customer (KYC) Norms'. 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 Banking Regulation Act, 1949.

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, 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 nominal members in excess of the prescribed regulatory limit (ii) failed to adhere to single borrower exposure limit; and (iii) allotted multiple Unique Customer Identification Codes to its customers.

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.

Press Release: 2024-2025/820

(Puneet Pancholy)
Chief General Manager