



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

Website : [www.rbi.org.in](http://www.rbi.org.in)

ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)



संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस. मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, S.B.S. Marg, Fort, Mumbai - 400 001

फोन/Phone: 022 - 2266 0502

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## RBI imposes monetary penalty on Budge Budge Nangi Cooperative Bank Ltd., Budge Budge, West Bengal

The Reserve Bank of India (RBI) has imposed, by an order dated September 22, 2022, a monetary penalty of ₹10,000 (Rupees Ten thousand only) on Budge Budge Nangi Cooperative Bank Ltd., Budge Budge, West Bengal (the bank) for contravention of/ non-compliance with the directions issued by RBI to Urban Cooperative Banks on "Exposure Norms and Statutory / Other Restrictions – UCBs". This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and Section 56 of the Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

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 inspection reports of the bank based on its financial position as on March 31, 2020 and March 31, 2021, revealed, inter alia, that the bank had not complied with the directions on prudential inter-bank exposure limit, both at the gross as well as counter party level. Based on the same, a Notice was issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with the directions.

After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI came to the conclusion that the charges of non-compliance with the aforementioned RBI directions were substantiated and warranted imposition of monetary penalty, to the extent of non-compliance with such directions.