

**Sub.: Summary of Order-in-Original No. 7/DIR/FIU-IND/2021 in the matter of Godavari Urban Co-operative Bank Ltd., Nashik -reg.**

RBI had shared findings of its inspection of 'Godavari Urban Co-operative Bank Ltd.' with FIU-IND, wherein it was pointed out that the Bank was not submitting CTR to FIU-IND within stipulated time and the Bank had not introduced a proper system to identify suspicious transactions.

2. Accordingly vide Show Cause Notice dated August 17/22, 2016, the Bank was called upon to explain as to why suitable directions including direction of imposition of penalty should not be passed against the Bank under section 13 of the Act read with section 12 of the Act and rules 3, 5 and 7 of the Rules, 2005 for delay in filing of CTRs, non-filing of CTRs and failure to have effective internal mechanism to detect and report suspicious transactions to FIU-IND.

3. The Bank submitted its reply to the SCN and in view of the principles of natural justice, the Bank was granted opportunity of personal hearing through its authorised representatives.

4. After considering the submissions of the Bank, vide Order-in-Original No.7 /DIR/FIU-IND/2021 dated April 06, 2021, the Director, FIU-IND disposed of the adjudication proceedings initiated against the Bank vide the Show Cause Notice dated August 17/22, 2016 and in exercise of the powers conferred under section 13(2)(d) of the Act imposed monetary penalty of ₹ **Two lakh fifty thousand Only (₹ 2,50,000/-)** for non-compliances of section 12 of the Act read with rules 3, 5 and 7 of the Rules, 2005 by the Bank, viz. non-filing of 1 batch of CTR, delayed filing of 1 CTR by 96 months (deemed to be non-filed), delay in filing of 7 batches of CTRs and failure to have effective internal mechanism to detect and report suspicious transactions to Director, FIU-IND under section 12 of the Act read with Rules 3(1)(A), 3(1)(B), 5(2), 7(2), 7(3) and 7(4) of the PML Rules, 2005.

5. In terms of section 13(2)(b) of the Act, the Director, FIU-IND directed the Bank to file the 1 batch of CTR not reported till date within 30 days from the receipt of this penalty order. The Bank has also been advised to exercise caution in future regarding compliance with the provisions of the Prevention of Money Laundering Act, 2002 and the Rules made thereunder.

**Disclaimer: The summary of the instant Order-in-Original is only representational in nature and does not hold any legal significance or cannot be relied upon or referred to as a precedence in any other case.**