



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

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May 19, 2011

**The Kheralu Nagarik Sahakari Bank Ltd., Kheralu, Dist. Mehsana (Gujarat)
– Penalised**

The Reserve Bank of India has imposed a monetary penalty of ₹ 1.00 lakh (Rupees one lakh only) on The Kheralu Nagarik Sahakari Bank Ltd., Kheralu, Dist. Mehsana (Gujarat), in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) by sanctioning hypothecation loans in violation of operational instructions issued by Reserve Bank of India and non-adherence to 'Know Your Customer' (KYC) norms in large number of accounts.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case, bank's reply and personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

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Ajit Prasad
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