



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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February 03, 2021

Reserve Bank of India imposes monetary penalty on The Kalpavruksha Co-operative Bank Limited, Chikkanayakanahalli, Tumakuru Dist. (Karnataka)

The Reserve Bank of India (RBI) has, by an order dated February 2, 2021, imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on The Kalpavruksha Co-operative Bank Limited (the bank) for non-compliance with certain directions issued by RBI contained in the "Master Circular on Board of Directors-UCBs".

The 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) of the Banking Regulation Act, 1949, for non-compliance by the bank with the directions prohibiting grant of loans and advances to directors, or their relatives and the firms/concerns/companies in which they are interested, as revealed during the statutory inspection of the bank with reference to its financial position as on March 31, 2019.

A notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for such non-compliance with the directions. After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI concluded that the charge of non-compliance with aforesaid RBI directions was substantiated and warranted imposition of monetary penalty.

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.

Press Release: 2020-2021/1041

(Yogesh Dayal)
Chief General Manager