



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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October 31, 2022

Reserve Bank of India imposes monetary penalty on Banda Urban Co-operative Bank Ltd., Banda, U.P

The Reserve Bank of India (RBI) has imposed, by an order dated October 27, 2022, a monetary penalty of ₹2.00 lakh (Rupees Two Lakh only) on the Banda Urban Co-operative Bank Ltd., Banda, U.P (the bank) for contravention of the directions issued by RBI 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 47A(1)(c) read with Section 46(4)(i) and Section 56 of the Banking Regulation Act, 1949.

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 report of the bank based on its financial position as on March 31, 2021, revealed, inter alia, that the bank had failed to comply with the RBI directions on prudential inter-bank (gross) exposure norms. Based on the same, a Notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for non-compliance with the said directions.

After considering the bank's reply and oral submissions made during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty.

Press Release: 2022-2023/1112

(Yogesh Dayal)
Chief General Manager