



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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December 08, 2021

RBI imposes monetary penalty on the Urban Co-operative Bank Ltd., Anantnag

The Reserve Bank of India (RBI) has imposed, by an order dated December 08, 2021, a monetary penalty of ₹1.00 lakh (Rupees One Lakh only) on the Urban Co-operative Bank Limited, Anantnag (the bank) for contravention of section 35A read with section 56 of the Banking Regulation Act, 1949 and regulations 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 provisions of the Act and directions issued thereunder 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 report of the bank based on its financial position as on March 31, 2019, revealed, inter alia, that the bank failed to adhere to the provisions related to 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 for violation of the said directions.

After considering the bank's written reply and oral submissions made by the bank during personal hearing and subsequent additional submissions, RBI came to the conclusion that the aforesaid charge of non-adherence/violation of provisions of the Act and directions issued thereunder by RBI was substantiated and warranted imposition of monetary penalty.