



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

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December 24, 2021

**Reserve Bank of India imposes monetary penalty on MUFG Bank Ltd.**

The Reserve Bank of India (RBI) has imposed, by an order dated December 23, 2021, a monetary penalty of ₹30 Lakh (Rupees Thirty Lakh only) on MUFG Bank Ltd. (the bank), for non-compliance with the directions issued by RBI on “Loans and Advances – Statutory and Other Restrictions”. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with sections 46 (4) (i) of the Banking Regulation Act, 1949 (the Act)

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.

**Background**

The Statutory Inspection for Supervisory Evaluation of the bank was conducted by RBI with reference to its financial position as on March 31, 2019, and the examination of the Risk Assessment Report, Inspection Report and all related correspondence pertaining to the same, revealed, *inter alia*, non-compliance with the aforesaid direction to the extent that the bank had sanctioned loans and advances to companies whose board of directors included person(s) who were director(s) on boards of other banks, without such sanctions being accorded at the level of its Management Committee. In furtherance to 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 RBI direction, as stated therein.

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