



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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March 21, 2022

Reserve Bank of India imposes monetary penalty on The Bank Employees' Co-operative Bank Limited, Kolkata (West Bengal)

The Reserve Bank of India (RBI) has imposed, by an order dated March 10, 2022, a monetary penalty of ₹2.00 lakh (Rupees Two lakhs only) on The Bank Employees' Co-operative Bank Limited, Kolkata (West Bengal) (the bank) for contravention of/ non-adherence with the Directions issued by RBI to Urban Cooperative Banks 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 directions issued 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 had (i) not adhered to prudential inter-bank (Gross) exposure limit and (ii) not complied with the prudential inter-bank Counter Party limit in contravention of/non-adherence with the directions issued by RBI on 'Exposure Norms & Statutory/Other Restrictions-UCBs'. 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 non-compliance with the directions.

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