



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 23, 2021

RBI imposes monetary penalty on The Ajara Urban Co-operative Bank Ltd., Ajara, Kolhapur

The Reserve Bank of India (RBI) has imposed, by an order dated June 23, 2021, a monetary penalty of ₹2 lakh (Rupees Two lakh only) on The Ajara Urban Co-operative Bank Ltd., Ajara, Kolhapur (the bank) for contravention of direction issued by the RBI on 'Maintenance of Deposit Accounts'. This penalty has been imposed in exercise of powers vested in the RBI under the provisions of Section 47A(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 direction issued by THE RBI.

The 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 that the annual review of inoperative accounts had not been done by the bank. 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 aforesaid direction.

After considering the bank's reply to the Notice and oral submissions made in the personal hearing, the RBI came to the conclusion that the aforesaid charge was substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager