

**भारतीय रिज़र्व बैंक**
RESERVE BANK OF INDIAवेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

June 26, 2023

RBI imposes monetary penalty on Ujjain Nagarik Sahakari Bank Maryadit, Ujjain, Madhya Pradesh

The Reserve Bank of India (RBI) has imposed, by an order dated June 22, 2023, a monetary penalty of ₹1.00 lakh (Rupees One Lakh only) on Ujjain Nagarik Sahakari Bank Maryadit, Ujjain (Madhya Pradesh) (the bank) for contravention of/ non-adherence with the directions issued by RBI on 'Exposure Norms & Statutory/Other Restrictions - UCBs' and 'Investments by Primary (Urban) Co-operative Banks'. 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 supervisory findings of the bank based on its financial position as on March 31, 2022, revealed, *inter alia*, that the bank had not complied with (i) prudential inter-bank (gross) exposure limit, and (ii) prudential inter-bank counter party limit in contravention of/non-compliance with the aforesaid directions issued by RBI. 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 directions.

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