



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email: helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

Department of Communication, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 022- 22660502

July 20, 2021

RBI imposes monetary penalty on Melur Co-operative Urban Bank Ltd., Madurai District, Tamil Nadu

The Reserve Bank of India (RBI) has imposed, by an order dated July 20, 2021 a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on Melur Co-operative Urban Bank Ltd. (No.A 330), Melur, Madurai District, Tamil Nadu (the bank) for contravention of / non-compliance with certain provisions of the directions issued by RBI contained in the [Master Circular on Board of Directors – UCBs dated July 1, 2015](#). The penalty has been imposed on the bank in exercise of powers vested in RBI under provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and Section 56 of the Banking Regulation Act, 1949 (AACS) taking into account the failure of the bank to adhere to the aforesaid directions.

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

Statutory returns submitted by the bank for the period ended March 2020, revealed, *inter alia*, contravention of / non-compliance with the directions issued by RBI on “Board of Directors - 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 written reply and the oral submissions made during the personal hearing, RBI came to the conclusion that the aforesaid charges of non-compliance with the extant RBI directions were substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager