



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

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July 28, 2021

## **RBI imposes monetary penalty on Alibag Co-operative Urban Bank Limited, Raigad, Maharashtra**

The Reserve Bank of India (RBI) has imposed, by an order dated July 28, 2021, a monetary penalty of ₹5 lakh (Rupees Five lakh only) on Alibag Co-operative Urban Bank Limited, Raigad (the bank) for contravention of the directions issued by RBI 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.

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, inter alia, that the bank had not adhered to the prudential inter-bank gross exposure limit and prudential inter-bank single counter party exposure limit. 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 written reply to the show cause notice and its oral submissions made during the personal hearing and subsequent additional submissions, RBI came to the conclusion that the aforesaid charge of non-compliance with RBI directions was substantiated and warranted imposition of monetary penalty.

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**(Yogesh Dayal)**  
Chief General Manager