



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

April 16, 2021

Reserve Bank of India imposes monetary penalty on The Mehkar Urban Co-operative Bank Ltd., Mehkar, Maharashtra

The Reserve Bank of India (RBI) has imposed, by an order dated April 16, 2021, a monetary penalty of ₹0.50 lakh (Rupees Fifty Thousand only) on The Mehkar Urban Co-operative Bank Ltd., Mehkar (the bank) for contravention of/ non-compliance with the directions issued by RBI to Urban Cooperative Banks on Board of Directors and Exposure Norms and Statutory/Other Restrictions. 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*, contravention of/ non-compliance with the directions issued by Reserve Bank of India (RBI) on Board of Directors and Exposure Norms and Statutory/Other Restrictions. 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 replies 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.

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(Yogesh Dayal)
Chief General Manager