

**भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA**वेबसाइट : 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-400001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

August 07, 2023

RBI imposes monetary penalty on Mizoram Urban Cooperative Development Bank Limited, Aizawl

The Reserve Bank of India (RBI) has imposed, by an order dated August 02, 2023, a monetary penalty of ₹20,000/- (Rupees Twenty thousand only) on Mizoram Urban Cooperative Development Bank Limited, Aizawl (the bank) for non-compliance with specific directions issued by RBI under Supervisory Action Framework (SAF) and certain provision of '[Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 2016](#)'. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Sections 46 (4) (i) and 56 of the Banking Regulation Act, 1949.

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 statutory inspection of the bank conducted by RBI with reference to its financial position as on March 31, 2022 and the examination of the Inspection Report and all related correspondence revealed, *inter alia*, that the bank had granted fresh loans and advances carrying risk weights of more than 100% in violation of specific directions issued under SAF and failed to put in place a system of periodic review of risk categorisation of accounts. In furtherance to the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for failure to comply with the said directions, as stated therein.

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