



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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March 27, 2024

RBI imposes monetary penalty on The Mandi Urban Co-operative Bank Ltd., Mandi, Himachal Pradesh

The Reserve Bank of India (RBI) has by an order dated March 05, 2024 imposed, a monetary penalty of ₹6.00 lakh (Rupees Six lakh only) on The Mandi Urban Co-operative Bank Ltd., Mandi, Himachal Pradesh (the bank) for non-compliance with certain provisions of RBI directions on 'Placement of Deposits with Other Banks by Primary (Urban) Co-operative Banks (UCBs)'. This penalty has been imposed in exercise of powers vested in RBI, conferred under the provisions of section 47A(1)(c) read with sections 46 (4)(i) and 56 of the Banking Regulation Act, 1949.

The select scope inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2022. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions.

After considering the bank's reply to the notice, RBI found, inter alia, that the charge of breaching prudential inter-bank exposure limit on a gross as well as counterparty basis was sustained, warranting imposition of monetary penalty.

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. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

Press Release: 2023-2024/2128

(Yogesh Dayal)
Chief General Manager