



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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November 03, 2015

**RBI imposes Monetary Penalty on The Mehsana District
Central Cooperative Bank Ltd., Mehsana (Gujarat)**

The Reserve Bank of India has imposed a monetary penalty of ₹ 5.00 lakh (Rupees Five Lakh only) on The Mehsana District Central Cooperative Bank Ltd., Mehsana (Gujarat) in exercise of the powers vested in it under the provisions of Section 47A(1)(b) read with section 46(4) of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies), for violation of the provisions of Section 22(3)(b) of the B.R.Act, 1949 (AACs) relating to "the affairs of the co-operative bank are not being, or are not likely to be, conducted in a manner detrimental to the interest of its present or future depositors" and the directives / guidelines of the Reserve Bank on prudential accounting norms related to provisioning against Non Performing Investments as advised in terms of para 5 of Appendix-I of the Reserve Bank of India circular No. RPCD.CO.RF.BC.65 /07.02.03/2003-04 dated February 23, 2004.

The Reserve Bank of India had issued a show cause notice to the bank based on the findings of inspection conducted by NABARD for the financial position as on 31.03.2014, in response to which the bank submitted a written reply and made personal submissions to the Regional Director, Reserve Bank of India, Ahmedabad. After considering the facts of the case and the bank's reply in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of penalty.

Ajit Prasad

Assistant General Manager

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