June 05, 2018

Abhyudaya Mahila Urban Co-operative Bank Ltd.,
Channapatna, Karnataka – Penalised

The Reserve Bank of India has imposed a monetary penalty of ₹ 1.00 lakh (Rupees one lakh only) on Abhyudaya Mahila Urban Co-operative Bank Ltd., Channapatna, in exercise of the powers vested in it under the provisions of Section 47 A (1) (c) read with Section 46 (4) of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies) for violating directives contained in para 3 of Reserve Bank of India Circular No. BPD Cir.50/13.05.00/2002-03 dated April 29, 2003 on “Loans and Advances to Directors, Relatives and Firms/Concerns in which they are Interested”.

The Reserve Bank of India had issued a Show Cause Notice to the bank, in response to which the bank sought personal hearing. After considering the facts of the case and bank’s representation in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of penalty.


Ajit Prasad
Assistant Adviser