



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, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001

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

August 10, 2023

RBI imposes monetary penalty on The Mahabaleshwar Urban Co-operative Bank Limited., Mahabaleshwar, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated August 02, 2023 imposed a monetary penalty of ₹2.00 lakh (Rupees Two lakh only) on The Mahabaleshwar Urban Co-operative Bank Limited., Mahabaleshwar, Maharashtra (the bank) for contravention of provisions of Section 20A read with Section 56 of the Banking Regulation Act, 1949 (BR Act), specific directions issued by RBI under Supervisory Action Framework (SAF), and directions issued by RBI on 'Maintenance of Deposit Accounts' and 'Know Your Customer (KYC)'. 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 BR Act.

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 examination of the Risk Assessment Report and all related correspondence pertaining to the same, revealed, inter alia, that the bank had granted interest relief in a loan account of its ex-director, sanctioned fresh loans and renewed CC limits of its borrowers despite SAF restrictions and had not conducted annual review of inoperative accounts and periodic review of risk categorisation of its customers. 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 for contravention of statutory provisions and directions issued, as stated therein.

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