Millath Co-operative Bank Limited, Davangere, Karnataka – Penalised

The Reserve Bank of India has imposed a monetary penalty of ₹15.00 lakh (Rupees fifteen lakh only) on Millath Co-operative Bank Limited, Davangere in exercise of the powers vested in it under the provisions of Section 47 A read with Section 46 (4) of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies) for violating RBI directives/guidelines by sanctioning loans and advances to directors and their relatives, vehicle loans/staff loans without documents, not reporting cash transactions of above ₹10.00 lakh per month in aggregate to Government of India, Financial Intelligence Unit, New Delhi.

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 monetary penalty.

October 03, 2018

Ajit Prasad
Assistant Adviser