

**भारतीय रिज़र्व बैंक**
RESERVE BANK OF INDIAवेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email: helpdoc@rbi.org.in

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September 08, 2021

RBI imposes monetary penalty on The Swasakthi Mercantile Cooperative Urban Bank Ltd., Vijayawada, Krishna District, Andhra Pradesh

The Reserve Bank of India (RBI) has imposed, by an order dated September 08, 2021, a monetary penalty of ₹5.00 lakh (Rupees five lakh only) on The Swasakthi Mercantile Cooperative Urban Bank Ltd., Vijayawada (the bank) for contravention of / non-compliance with certain provisions of the directions issued by RBI contained in the [Master Circular on Board of Directors – UCBs dated July 1, 2015](#). This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and Section 56 of the Banking Regulation Act, 1949 taking into account, the failure of the bank to adhere to the aforesaid directions.

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 Inspection report of the bank based on its financial position as on March 31, 2019 revealed, *inter alia* contravention of / non-compliance with the directions issued by RBI on “Board of Directors - UCBs”. Based on the same, a Notice was issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with the directions.

After considering the bank’s written reply and oral submissions made during the personal hearing, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager