



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes monetary penalty on The Muslim Co-operative Bank Limited, Pune, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated September 30, 2024, imposed a monetary penalty of ₹3.00 lakh (Rupees Three Lakh only) on the Muslim Co-operative Bank Limited, Pune, Maharashtra for non-compliance with certain directions issued by RBI on 'Maintenance of Deposit Accounts –Primary (Urban) Co-operative Banks'. This penalty has been imposed in exercise of powers vested in RBI, conferred under section 47A(1)(c) read with sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

The statutory inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the bank's reply to the notice, and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty.

The bank had:

- i) failed to carry out annual review of accounts in which there were no operations for more than one year.
- ii) failed to notify its customers about the imposition of penal charges for not maintaining the minimum balance and levied penal charges at a flat rate for shortfall in maintenance of average minimum balance in the savings accounts.

This action is based on the 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. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.