



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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February 20, 2023

RBI imposes monetary penalty on Pune People's Co-operative Bank Limited, Pune

The Reserve Bank of India (RBI) has imposed, by an order dated February 14, 2023, a monetary penalty of ₹1.00 lakh (Rupees One lakh only) on Pune People's Co-operative Bank Limited, Pune (the bank) for contravention of the directions issued by the Reserve Bank of India (RBI) on Interest Rate on Deposits. 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 issued by RBI.

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 Risk Assessment Report of the bank based on its financial position as on March 31, 2021, revealed *inter-alia* that the bank did not pay interest on balance amount lying in current accounts of deceased individual depositors/ sole proprietorship from the date of death of the depositor till the date of repayment to the claimant(s). 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 to the show cause notice and the oral submissions made during the personal hearing, RBI came to the conclusion that the aforesaid charge of non-compliance with RBI directions was substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager