



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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June 21, 2021

## RBI imposes monetary penalty on Indapur Urban Cooperative Bank Ltd., Indapur, Maharashtra

The Reserve Bank of India (RBI) has imposed, by an order dated June 21, 2021, a monetary penalty of ₹10 lakh (Rupees Ten lakh only) on Indapur Urban Cooperative Bank Ltd., Indapur (the bank) for contravention of the directions issued by the RBI on Exposure Norms and Statutory / Other Restrictions – UCBs and [Know Your Customer \(KYC\) Directions](#). This penalty has been imposed in exercise of powers vested in the RBI under the provisions of Section 47A(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 inspection report of the bank, based on its financial position as on March 31, 2019, revealed that the bank (i) had not adhered to the aggregate ceiling on unsecured advances (ii) did not have process for periodical review of risk categorization of accounts and (iii) did not have a robust system in place to generate alerts whenever transactions were inconsistent with the risk categorization of customers. 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 reply to the notice, the RBI came to the conclusion that the aforesaid charges of non-compliance with the RBI directions were substantiated and warranted imposition of monetary penalty.

Press Release: 2021-2022/406

(Yogesh Dayal)  
Chief General Manager