

**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

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December 14, 2023

**RBI imposes monetary penalty on Indapur Urban Co-operative Bank Limited, Pune, Maharashtra**

The Reserve Bank of India (RBI) has, by an order dated November 17, 2023, imposed a monetary penalty of ₹5.00 lakh (Rupees Five lakh only) on Indapur Urban Co-operative Bank Ltd., Pune, Maharashtra (the bank) for non-compliance with directions issued by RBI on 'Investments by Primary (Urban) Co-operative Banks', 'Maintenance of Deposit Accounts - Primary (Urban) Co-operative Banks', and 'Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 47 A (1) (c) read with sections 46 (4) (i) and 56 of the Banking Regulation Act, 1949.

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.

**Background**

The statutory inspection of the bank conducted by RBI with reference to its financial position as on March 31, 2022, and examination of the Risk Assessment Report and all correspondence related thereto, revealed, *inter alia*, that the bank had (i) not adhered to the prudential inter-bank gross exposure limit, (ii) imposed fixed penal charges for shortfall in maintenance of minimum balance in savings bank accounts, instead of imposing penal charges proportionate to the extent of shortfall; and (iii) not classified certain accounts as Non-Performing Assets (NPA). Consequently, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for failure to comply with the said directions, as stated therein.

After considering the bank's reply to the notice and oral submissions made by it during the personal hearing, RBI came to the conclusion that the aforesaid charge of non-compliance with the RBI directions was substantiated and warranted imposition of monetary penalty on the bank.

(Yogesh Dayal)  
Chief General Manager