



भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

December 12, 2022

RBI imposes monetary penalty on Indore Premier Co-operative Bank Ltd., Indore, Madhya Pradesh

The Reserve Bank of India (RBI) has imposed, by an order dated December 05, 2022, a monetary penalty of ₹2.00 lakh (Rupees Two lakh only) on Indore Premier Co-operative Bank Ltd., Indore (M.P) (the bank) for contravention of/non-compliance with the provisions of section 19 read with section 56 of the Banking Regulation Act, 1949 (the Act) and directions issued by RBI. 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 Act taking into account the failure of the bank to adhere to the aforesaid directions issued.

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, 2020, revealed, *inter alia*, that the bank contravened the provisions of section 19 read with section 56 of the Act, when it did not comply with the RBI directions specifying the extent and the conditions subject to which co-operative banks were permitted to hold shares in any other co-operative society. 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 replies, oral submissions made during personal hearing and additional submissions made thereafter, RBI came to the conclusion that the aforesaid charge of non-compliance with the provisions of the Act was substantiated and warranted imposition of monetary penalty.