



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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February 12, 2024

RBI imposes monetary penalty on Pusad Urban Co-operative Bank Ltd., Pusad, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated February 08, 2024 imposed a monetary penalty of ₹2.50 lakh (Rupees Two lakh fifty thousand only) on Pusad Urban Co-operative Bank Ltd., Pusad, Maharashtra (the bank) for non-compliance with the directions issued by RBI on '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 47A(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, 2020, and examination of the Inspection Report and all correspondence related thereto revealed, *inter alia*, that the bank had not adhered to the Prudential Norms relating to Income Recognition, Asset Classification and Provisioning. 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, its additional submissions and oral submissions made by it during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty on the bank.