



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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March 20, 2023

**RBI imposes monetary penalty on Imperial Urban Co-operative Bank Ltd.,
Jalandhar, Punjab**

The Reserve Bank of India (RBI) has imposed, by an order dated March 10, 2023, a monetary penalty of ₹1.00 lakh (Rupees One Lakh only) on Imperial Urban Co-operative Bank Ltd., Jalandhar, Punjab (the bank) for contravention of Section 35A read with Section 56 of the Banking Regulation Act, 1949. 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.

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/risk assessment report of the bank based on its financial position as on March 31, 2021, revealed, inter-alia, that the bank was not in compliance with RBI Directions prohibiting sanctioning/renewal of loans and advances to directors and their relatives, in contravention of Section 35A read with Section 56 of the Banking Regulation Act, 1949. 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, 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