



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 23, 2021

RBI imposes monetary penalty on Excellent Co-operative Bank Ltd., Mumbai

The Reserve Bank of India (RBI) has imposed, by an order dated June 23, 2021, a monetary penalty of ₹4 lakh (Rupees Four lakh only) on Excellent Co-operative Bank Ltd., Mumbai (the bank) for contravention of the directions issued by RBI on 'Maintenance of Deposit Accounts' and '[Know Your Customer \(KYC\)](#)'. This penalty has been imposed in exercise of powers vested in 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 THE RBI.

The 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 had (i) no system of periodic updation of KYC information of customers in the bank and (ii) not conducted annual review of inoperative accounts. 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 aforesaid directions.

After considering the bank's reply to the notice, the RBI came to the conclusion that the aforesaid charges were substantiated and warranted imposition of monetary penalty.