



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 05, 2025

RBI imposes monetary penalty on Ratanchand Shah Sahakari Bank Limited, Mangalwedha, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated May 30, 2025, imposed a monetary penalty of ₹2 lakh (Rupees Two Lakh only) on Ratanchand Shah Sahakari Bank Limited, Mangalwedha, Maharashtra (the bank) for non-compliance with certain directions issued by [RBI on 'Know Your Customer \(KYC\)'](#) and specific directions issued by RBI under Supervisory Action Framework (SAF). 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 BR Act.

The statutory inspection of the bank was conducted by the RBI with reference to its financial position as on March 31, 2024. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty:

The bank had:

- i) offered higher interest rates on deposits than those offered by the State Bank of India, in non-adherence to directions under SAF;
- ii) breached the single borrower exposure limit applicable for fresh loans and advances in certain instances, in non-adherence to directions under SAF; and
- iii) allotted multiple customer identification codes to certain customers, instead of a Unique Customer Identification Code (UCIC) for each individual customer.

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. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.