



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 - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

July 22, 2024

RBI imposes monetary penalty on The Yashwant Co-operative Bank Limited, Satara, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated July 16, 2024, imposed a monetary penalty of ₹5.00 lakh (Rupees Five lakh only) on The Yashwant Co-operative Bank Limited, Satara, Maharashtra (the bank) for contravention of the provisions of section 26 A read with section 56 of the Banking Regulation Act, 1949 (BR Act) and non-compliance with certain directions issued by RBI on 'Income Recognition, Asset Classification, Provisioning and Other Related Matters- UCBs', 'Exposure Norms and Statutory / Other Restrictions - UCBs', 'Know Your Customer (KYC) norms' and 'Maintenance of Deposit Accounts –Primary (Urban) Co-operative Banks'. This penalty has been imposed in exercise of powers vested in RBI, conferred under 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 RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with statutory provision / 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, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty. The bank had (i) failed to classify certain loan accounts as non-performing asset in terms of Income recognition, Asset classification and Provisioning norms and make provisions accordingly; (ii) sanctioned loans that breached the ceiling on unsecured advances and exposure to individual members and nominal members; (iii) failed to review risk categorisation of its customers as per the prescribed periodicity; (iv) failed to transfer the balances which remained unclaimed for more than 10 years to Depositor Education and Awareness Fund; and (v) levied flat penal charges, without notifying the customers, for shortfall in maintenance of minimum balance in savings accounts.

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