



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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December 18, 2023

RBI imposes monetary penalty on The Manmandir Co-operative Bank Limited, Vita, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated November 24, 2023, imposed a monetary penalty of ₹3.00 lakh (Rupees Three lakh only) on The Manmandir Co-operative Bank Limited, Vita (the bank) for non-compliance with the directions issued by RBI on '[Know Your Customer \(KYC\) Directions, 2016](#)' and 'Maintenance of Deposit Accounts - Primary (Urban) Co-operative Banks'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47 A (1) (c) read with Sections 46 (4) (i) and Section 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, 2022, and examination of the Risk Assessment Report and all correspondence related thereto, revealed, *inter alia*, that the bank had (i) not ensured periodic updation of KYC for high-risk customers as mandated by the RBI Directions, (ii) not conducted periodic review of risk categorization of accounts; and (iii) not conducted the annual review of inoperative/dormant accounts. 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, 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.