

**भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA**वेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

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RBI imposes monetary penalty on Patan Co-operative Bank Limited, Mumbai, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated November 17, 2023, imposed a monetary penalty of ₹1.00 lakh (Rupees One lakh only) on Patan Co-operative Bank Limited, Mumbai, Maharashtra (the bank) for non-compliance with directions issued by RBI on '[Reserve Bank of India –Know Your Customer \(KYC\) Direction, 2016](#)'. 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 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 failed to carry out periodic review of risk categorisation of 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 and oral submissions made by it during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid directions issued by RBI was substantiated and warranted imposition of monetary penalty on the bank.

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(Yogesh Dayal)
Chief General Manager