



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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May 02, 2023

**RBI imposes monetary penalty on Ambarnath Jaihind Co-operative Bank Ltd.,
Ambarnath, Maharashtra**

The Reserve Bank of India (RBI) has, by an order dated April 26, 2023, imposed a monetary penalty of ₹2.00 lakh (Rupees two lakh only) on Ambarnath Jaihind Co-operative Bank Ltd., Ambarnath(Maharashtra) (the bank) for non-compliance with the directions issued by RBI on 'Know Your Customers'. This penalty has been imposed in exercise of powers vested in RBI conferred under section 47 A (1))c) read with sections 46 (4))i) and 56 of Banking Regulation Act, 1949 (BR Act).

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, 2021, and examination of the Risk Assessment Report and all related correspondence pertaining to the same, revealed, inter alia, that the bank had failed to put in place a system to periodically review risk category of accounts. In furtherance to the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed for contravention of the RBI 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, to the extent of non-compliance with such directions.