

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

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October 23, 2023

**RBI imposes monetary penalty on Indrayani Co-operative Bank Ltd.,
Pimpri, Maharashtra**

The Reserve Bank of India (RBI) has, by an order dated September 25, 2023, imposed a monetary penalty of ₹3.00 lakh (Rupees Three lakh only) on Indrayani Co-operative Bank Ltd., Pimpri, Maharashtra (the bank) for non-compliance with the directions issued by RBI on 'Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs' and '[Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 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 Inspection Report, Risk Assessment Report and all correspondence related thereto revealed, *inter-alia*, that the bank had (i) not adhered to the Prudential Norms relating to Income Recognition, Asset Classification and Provisioning, and (ii) not implemented a system for periodic updation of KYC of its customers. 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 RBI directions was substantiated and warranted imposition of monetary penalty on the bank.