



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

December 12, 2022

**RBI imposes monetary penalty on Shri Kanyaka Nagari Sahakari Bank Ltd.,  
Chandrapur, Maharashtra**

The Reserve Bank of India (RBI) has imposed, by an order dated December 05, 2022, a monetary penalty of ₹4.00 lakh (Rupees Four lakh only) on Shri Kanyaka Nagari Sahakari Bank Ltd., Chandrapur (Maharashtra) (the bank) for contravention of/ non-compliance with the directions issued by the RBI to Urban Co-operative Banks on Know Your Customer (KYC). This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and Section 56 of the Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

This action is based on 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 inspection report of the bank based on its financial position as on March 31, 2021, revealed, inter alia, that the bank had (i) no system of periodic review of risk categorisation of accounts, (ii) no system of periodic updation of KYC of its customers, and (iii) no robust software to identify and monitor suspicious transactions, in contravention of/ non-compliance with the aforesaid directions issued by RBI. Based on the same, a Notice was issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with the directions.

After considering the bank's replies and oral submissions made during the personal hearing, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.

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**(Yogesh Dayal)**  
Chief General Manager