

**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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June 26, 2023

RBI imposes monetary penalty on Panihati Co-operative Bank Ltd.

The Reserve Bank of India (RBI) has imposed, by an order dated June 20, 2023, a monetary penalty of ₹2,50,000/- (Rupees Two Lakh Fifty Thousand only) on Panihati Co-operative Bank Ltd. (the bank) for contravention of/ non-adherence with the directions issued by RBI on (i) "Exposure Norms and Statutory / Other Restrictions – UCBs" and (ii) "[Know Your Customer \(KYC\) Direction, 2016](#)". This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47A(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 statutory inspection of the bank conducted by RBI with reference to its financial position as on March 31, 2022 and the examination of the Inspection Report revealed, *inter alia*, that the bank had failed to comply with RBI directions on (i) prudential inter-bank exposure both at the gross and counter party level and (ii) production of KYC documents for several accounts. Based on the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for non-compliance with the directions.

After considering the bank's reply to the notice, additional submissions and oral submissions made by it during Personal Hearing, RBI came to the conclusion that the aforementioned charge of non-compliance with RBI directions was substantiated and warranted imposition of monetary penalty.