

**भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

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August 24, 2023

**RBI imposes monetary penalty on The Midnapore People's Co-operative Bank Ltd., West Bengal**

The Reserve Bank of India (RBI) has imposed, by an order dated August 14, 2023, a monetary penalty of ₹2.00 lakh (Rupees Two Lakh only) on The Midnapore People's Co-operative Bank Ltd., West Bengal (the bank) for non-compliance with the directions issued by RBI on 'Exposure Norms and Statutory / Other Restrictions – UCBs' and '[Know Your Customer \(KYC\) Direction, 2016](#)'. 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.

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 Risk assessment Report, Inspection Report pertaining thereto revealed, *inter-alia*, that the bank had breached prudential inter-bank (gross) exposure limit and prudential inter-bank counter-party limit and failed to put in place a system of periodic review of risk categorization of 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 failure to comply with the directions, as stated therein.

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