

**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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August 24, 2023

**RBI imposes monetary penalty on Ratnagiri Urban Co-operative Bank Ltd.,
Ratnagiri, Maharashtra**

The Reserve Bank of India (RBI) has imposed, by an order dated August 17, 2023, a monetary penalty of ₹2.00 lakh (Rupees Two Lakh only) on Ratnagiri Urban Co-operative Bank Ltd., Ratnagiri, Maharashtra (the bank) for non-compliance with certain provisions of the '[Reserve Bank of India – \(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 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 Risk Assessment Report and all related correspondence pertaining to the same, revealed, *inter-alia*, that the bank had failed to put in place a robust software to throw alerts as part of effective identification and reporting of suspicious transactions and had not conducted periodic review of risk categorization 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 on it for failure to comply with the directions, as stated therein.

After considering the bank's written reply to the notice, RBI came to the conclusion that the aforesaid charge of non-compliance with RBI directions was substantiated and warranted imposition of monetary penalty.