



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

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January 09, 2023

**RBI imposes monetary penalty on The Shirpur Peoples' Co-operative Bank Ltd.,  
Shirpur (Maharashtra)**

The Reserve Bank of India (RBI) has imposed, by an order dated January 04, 2023, a monetary penalty of ₹3.00 lakh (Rupees Three lakh only) on The Shirpur Peoples' Co-operative Bank Ltd., Shirpur (Maharashtra) (the bank) for contravention of/non-compliance with the directions issued by the RBI to Urban Co-operative Banks on "Exposure Norms and Statutory / Other Restrictions – UCBs", Income Recognition and Asset Classification (IRAC) and 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 of bank based on its financial position as on March 31, 2019 and as on March 31, 2020, revealed, inter alia, that the bank had (i) had sanctioned advances to a group of borrowers above permissible limit, (ii) had not complied with Income Recognition and Asset Classification (IRAC) norms, and (iii) did not have a 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, oral submissions made during the personal hearing and additional submissions made thereafter, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.