



July 26, 2007

**Reserve Bank imposes Penalty on
Catholic Syrian Bank Ltd. for KYC Violations**

The Reserve Bank of India has imposed a penalty of Rs.10 lakh (Rupees ten lakh only) on Catholic Syrian Bank Ltd. in exercise of the powers vested in RBI under the provisions of Section 47A(1)(b) of the Banking Regulation Act, 1949. Penalty of Rs.5 lakh (Rupees five lakh only) each has been imposed for the following violations:

- (i) non-adherence to KYC norms and AML standards while opening and operating certain accounts; and
- (ii) failure of bank's internal control systems in detecting the irregularities.

The RBI had issued a show-cause notice to the bank. In response thereto, the bank had submitted a written replies. On a careful examination of the bank's replies, the RBI found that the violations were conclusively established and the penalty was accordingly imposed.

G. Raghuraj
Deputy General Manager

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