



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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September 10, 2013

**RBI penalises Jamia Cooperative Bank Ltd, 2/9,
Surya Complex, Sarai Julena, Okhla Road, New Delhi - 110025**

The Reserve Bank of India has imposed a monetary penalty of ₹2 lakh (₹ Two lakh) on Jamia Cooperative Bank Ltd, 2/9, Surya Complex, Sarai Jullena, Okhla Road, New Delhi -110025. The penalty has been imposed on the bank for violation of (i) Know Your Customer (KYC) and Anti Money Laundering (AML) norms insofar as carrying out sufficient customer identification procedures, ascertaining the identification of natural persons behind entities, carrying out enhanced due diligence and appropriate risk categorisation were concerned; (ii) non-compliance of Income Recognition and Asset Classification (IRAC) norms by transfer of funds from one account to another; (iii) involvement of the directors in day-to-day affairs of the bank; and (iv) diversion of funds from loan accounts through current/savings bank accounts of borrowers to firms in which directors have an interest.

The Reserve Bank of India had issued a show cause notice to the bank in response to which the bank submitted a written reply. After considering the facts of the case and the bank's reply in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty. It, therefore, imposed the penalty on it in exercise of powers vested in it under the provisions of Section 47A(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies).

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Sucheta Vazkar
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