



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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October 12, 2023

**RBI imposes monetary penalty on The Jawhar Urban Co-operative Bank Limited, Palghar, Maharashtra**

The Reserve Bank of India (RBI) has imposed, by an order dated September 15, 2023, a monetary penalty of ₹1.00 lakh (Rupees One lakh only) on The Jawhar Urban Co-operative Bank Limited, Palghar, Maharashtra (the bank) for non-compliance with the directions issued by RBI on '[Know Your Customer \(KYC\)](#)'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47 A (1) (c) read with Sections 46 (4) (i) and 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 examination of the Risk Assessment Report and all correspondence related thereto revealed, *inter alia*, that the bank had not put in place a system for periodic updation of KYC of its customers. 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 reply to the notice and oral submissions made by it during the personal hearing, RBI came to the conclusion that the aforesaid charge of non-compliance with the RBI directions was substantiated and warranted imposition of monetary penalty.