

**भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA**वेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

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Reserve Bank of India imposes monetary penalty on Jila Sahakari Kendriya Bank Maryadit, Panna (M.P.)

The Reserve Bank of India (RBI) has imposed, by an order dated February 24, 2022, a monetary penalty of ₹1.00 lakh (Rupees One lakh only) on Jila Sahakari Kendriya Bank Maryadit, Panna (M.P.) (the bank) for contravention of/ non-compliance with the provisions of the Banking Regulation Act, 1949 (the Act), the Depositor Education and Awareness Fund Scheme, 2014 (the Scheme) and directions issued by the Reserve Bank of India (RBI) on [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 bank based on its financial position as on March 31, 2019, revealed, *inter alia*, that the bank had (i) not transferred eligible amount lying in inoperative accounts for a period of more than ten years to the Depositor Education and Awareness Fund, and (ii) no system to generate alerts and monitor suspicious transactions in contravention of/ non-compliance with the provisions under Section 26-A of the Act, the Scheme and directions on [Know Your Customer \(KYC\)](#). 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 by the bank, RBI came to the conclusion that the aforesaid charges of non-compliance with the provisions of the Act and RBI directions were substantiated and warranted imposition of monetary penalty.