



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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## RBI imposes monetary penalty on The National Central Cooperative Bank Ltd., Bettiah, Bihar

The Reserve Bank of India (RBI) has imposed, by an order dated July 08, 2022, a monetary penalty of ₹2.00 lakh (Rupees Two lakh only) on The National Central Cooperative Bank Limited, Bettiah (the bank) for contravention of/ non-compliance with the directions issued by RBI on (i) The Depositor Education and Awareness Fund and (ii) [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, 2021, revealed, inter alia, violation / non-compliance with aforementioned directions issued by RBI to the extent the bank failed (i) to transfer eligible balances to the Depositor Education and Awareness Fund and (ii) to categorise its customers on the basis of its assessment and risk perception as low, medium and high. 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 reply and additional submissions made by it, RBI came to the conclusion that the aforementioned charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)  
Chief General Manager