

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

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस. मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, S.B.S. Marg, Fort, Mumbai - 400 001

फोन/Phone: 022 - 2266 0502

August 08, 2022

RBI imposes monetary penalty on Jila Sahakari Kendriya Bank Maryadit, Chhindwara (M.P.)

The Reserve Bank of India (RBI) has imposed, by an order dated August 05, 2022, a monetary penalty of ₹1.00 lakh (Rupees One lakh only) on Jila Sahakari Kendriya Bank Maryadit, Chhindwara (the bank) for contravention of/ non-compliance with the provisions of the Banking Regulation Act, 1949 (the Act) 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, 2020, revealed, *inter alia*, that the bank had (i) delayed submission of statutory/OSS returns to RBI and NABARD (ii) not carried out periodic review of risk categorisation of its customers and (iii) not carried out periodic updation of KYC of its customers in contravention of/ non-compliance with the provisions of the Act on submission of returns & directions issued by RBI/NABARD and directions on KYC respectively. 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 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.