

**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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August 14, 2023

RBI imposes monetary penalty on Bally Cooperative Bank Ltd., Howrah, West Bengal

The Reserve Bank of India (RBI) has imposed, by an order dated August 07, 2023, a monetary penalty of ₹1,00,000/- (Rupees One Lakh only) on Bally Cooperative Bank Ltd., Howrah, West Bengal (the bank) for non-compliance with certain provisions of '[Reserve Bank of India – \(Know Your Customer \(KYC\)\) Direction, 2016](#)'. 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.

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 the examination of the Inspection Report and all related correspondence pertaining to the same, revealed, *inter alia*, that the bank had failed to put in place a system of periodic review of risk categorisation of accounts. 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 said directions, as stated therein.

After considering the bank's reply to the notice, additional submissions and oral submissions made during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforementioned RBI directions was substantiated and warranted imposition of monetary penalty.

Press Release: 2023-2024/755**(Yogesh Dayal)**
Chief General Manager