



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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July 25, 2024

## RBI imposes monetary penalty on Jharkhand State Co-operative Bank Ltd, Ranchi

The Reserve Bank of India (RBI) has, by an order dated July 22, 2024, imposed a monetary penalty of ₹1.00 lakh (Rupees One lakh only) on Jharkhand State Co-operative Bank Ltd, Ranchi (the bank) for non-compliance with certain directions issued by RBI on 'Know your Customer (KYC) norms'. This penalty has been imposed in exercise of powers vested in RBI, conferred under the provisions of section 47A(1)(c) read with sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

The statutory inspection of the bank was conducted by National Bank for Agriculture and Rural Development (NABARD) with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the bank's reply to the notice, oral submissions made during the personal hearing and examination of additional submissions made by it, RBI found, *inter alia*, that the charge of failure to put in place a system of periodic review of risk categorisation of accounts was sustained, warranting imposition of monetary penalty.

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. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

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(Puneet Pancholy)  
Chief General Manager