



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes monetary penalty on The Citizens' Co-operative Bank Ltd., Jammu

The Reserve Bank of India (RBI) has imposed, by an order dated August 30, 2023, a monetary penalty of ₹6.00 lakh (Rupees Six Lakh only) on The Citizens' Co-operative Bank Ltd., Jammu (the bank) for non-compliance with the specific directions issued by RBI under 'Supervisory Action Framework (SAF)' and directions issued under 'Exposure norms and Statutory/ Other Restrictions - UCBs'. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Sections 46 (4) (i) and 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, 2021 and March 31, 2022, and examination of the Inspection Reports, Risk Assessment Reports revealed, *inter alia*, that the bank had (i) sanctioned fresh loans and advances and allowed cash credit facilities to be overdrawn in violation of specific directions issued under SAF, and (ii) breached prudential inter-bank (gross) exposure limit and inter-bank counterparty limit. 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 non-compliance with the directions, as stated therein.

After considering the bank's reply to the notice, RBI came to the conclusion that the aforesaid charge of non-compliance with the RBI directions was substantiated and warranted imposition of monetary penalty.

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(Shweta Sharma)
Deputy General Manager