



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort,

Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

February 12, 2024

RBI imposes monetary penalty on Shillong Co-operative Urban Bank Limited, Meghalaya

The Reserve Bank of India (RBI) has, by an order dated February 08, 2024, imposed a monetary penalty of ₹1.00 lakh (Rupees One lakh only) on Shillong Co-operative Urban Bank Limited, Meghalaya (the bank) for non-compliance with the directions issued by RBI on '[Know Your Customer \(KYC\) Directions, 2016](#)'. This penalty has been imposed in exercise of powers conferred on RBI under Section 47A (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, 2023, and examination of the Inspection Report, Risk Assessment Report and all correspondence related thereto revealed, *inter alia*, that the bank had (i) failed to put in place a system of risk categorisation of accounts, and (ii) failed to undertake periodic updation of KYC of customer accounts. Consequently, 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 said directions, as stated therein.

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

(Yogesh Dayal)

Chief General Manager