



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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December 18, 2023

RBI imposes monetary penalty on Contai Co-operative Bank Limited, Dist. Purba Medinipur, West Bengal

The Reserve Bank of India (RBI) has, by an order dated November 23, 2023, imposed a monetary penalty of ₹1.00 lakh (Rupees One lakh only) on Contai Co-operative Bank Ltd. (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 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, 2022, and examination of the Risk Assessment Report, Inspection Report and all correspondence related thereto revealed, *inter alia*, that the bank had failed to put in place a system of periodic review of risk categorisation of 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 failure to comply 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