

**भारतीय रिज़र्व बैंक**
RESERVE BANK OF INDIAवेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

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RBI imposes monetary penalty on Birbhum District Central Co-operative Bank Ltd., Birbhum, West Bengal

The Reserve Bank of India (RBI) has, by an order dated September 19, 2023, imposed a monetary penalty of ₹1.10 lakh (Rupees One lakh Ten thousand only) on Birbhum District Central Co-operative Bank Ltd., Birbhum, West Bengal (the bank) for non-compliance with the directions issued by RBI on '[Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 2016](#)' and 'Membership of Credit Information Companies (CICs)'. 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 and Section 25 (1) (iii) read with section 23 (4) of the Credit Information Companies (Regulation) Act, 2005.

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 National Bank for Agriculture and Rural Development (NABARD) with reference to its financial position as on March 31, 2022, and examination of the Inspection Report and all correspondence related thereto revealed, *inter alia*, that the bank had (i) failed to carry out periodic review of risk categorisation of accounts, (ii) failed to undertake risk categorisation of a number of accounts; and (iii) failed to obtain membership of three out of the four CICs. 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 and oral submissions made by it 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.