


**भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA**
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December 12, 2022

**RBI imposes monetary penalty on Eastern & North-East Frontier Railway
Co-operative Bank Ltd., Kolkata, West Bengal**

The Reserve Bank of India (RBI) has imposed, by an order dated December 07, 2022, a monetary penalty of ₹1.00 lakh (Rupees One lakh only) on Eastern & North-East Frontier Railway Co-operative Bank Ltd., Kolkata, West Bengal (the bank) for contravention of/ non-adherence with (i) specific directions issued under Supervisory Action Framework (SAF) and (ii) certain provisions of the '[Reserve Bank of India – \(Know Your Customer \(KYC\)\) Direction, 2016](#)'. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and Section 56 of the Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

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 inspection report of the bank based on its financial positions as on March 31, 2020 and March 31, 2021, revealed, inter alia, that the bank had failed to comply with specific directions issued to the bank by RBI under SAF and RBI directions on periodic review of risk categorisation of accounts. Based on the same, a Notice was issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with the directions.

After considering the bank's reply, additional submissions made thereof and oral and written submissions made by it during Personal Hearing, RBI came to the conclusion that the aforementioned charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.