प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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August 31, 2021

RBI imposes monetary penalty on The Bihar State Co-operative Bank Ltd., Patna

The Reserve Bank of India (RBI) has, by an order dated August 30, 2021, imposed a monetary penalty of ₹5.00 Lakh (Rupees Five Lakh only) on The Bihar State Co-operative Bank Ltd., Patna (the bank) for non-compliance with the directions issued by the National Bank for Agriculture and Rural Development (NABARD) contained in its circular on “Review of Frauds - Guidelines on Monitoring and Reporting System”. This penalty has been imposed in exercise of powers vested in RBI under 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 NABARD with reference to the bank’s financial position as on March 31, 2018 and March 31, 2019, the Inspection Reports (IRs) pertaining thereto, and examination of all related correspondence, revealed, *inter alia*, non-compliance with aforesaid directions issued by NABARD. 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 for contravention of the aforesaid directions. After considering the bank’s reply to the notice and oral submissions made in the personal hearing, RBI came to the conclusion that the aforesaid charge was substantiated and warranted imposition of monetary penalty.

(Yogesh Dayal)
Chief General Manager

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