



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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

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September 30, 2024

**RBI imposes monetary penalty on Jai Bhawani Sahakari Bank Ltd.,
Pune, Maharashtra**

The Reserve Bank of India (RBI) has, by an order dated September 25, 2024, imposed a monetary penalty of ₹1.50 lakh /- (Rupees One Lakh Fifty Thousand only) on Jai Bhawani Sahakari Bank Ltd., Pune, Maharashtra (the bank) for contravention of the provisions of section 26 A read with section 56 of the Banking Regulation Act, 1949 (BR Act), non-compliance with certain directions issued by [RBI on 'Know Your Customer \(KYC\)'](#) and 'Maintenance of Deposit Accounts –Primary (Urban) Co-operative Banks'. This penalty has been imposed in exercise of powers vested in RBI, conferred under section 47A(1)(c) read with sections 46(4)(i) and 56 of the BR Act.

The statutory inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with statutory provision / RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the bank's reply to the notice, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty.

The bank had:

- i) failed to transfer eligible unclaimed deposit amounts to the Depositor Education and Awareness Fund within the prescribed period
- ii) failed to undertake periodic review of risk categorisation of accounts and
- iii) failed to undertake annual review of inoperative accounts.

This action is based on the 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. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.