

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

संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

September 28, 2023

RBI imposes monetary penalty on Rajkot Nagarik Sahakari Bank Ltd., Rajkot

The Reserve Bank of India (RBI) has, by an order dated September 22, 2023, imposed a monetary penalty of ₹13 lakh (Rupees Thirteen lakh only) on Rajkot Nagarik Sahakari Bank Ltd., Rajkot (the bank) for non-compliance with the directions issued by RBI on '[Interest Rate on Deposits](#)'. This penalty has been imposed in exercise of powers vested in RBI under Section 47A(1)(c) read with Sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

This action is based on deficiency 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, 2021, and examination of the Risk Assessment Report, Inspection Report and all related correspondence pertaining to the same, revealed, *inter alia*, that the bank had failed to pay eligible interest at the time of repayment (i) on term deposits which matured on a Sunday / holiday / non-business working day, and paid on the succeeding working days, and (ii) on matured unpaid term deposits for the period they remained unclaimed with the bank. Consequently, 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 RBI directions, as stated therein.

After considering the bank's reply to the notice, its additional submissions 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.