

**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

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October 17, 2022

**RBI imposes monetary penalty on The Co-operative Bank  
of Rajkot Ltd., Rajkot (Gujarat)**

The Reserve Bank of India (RBI) has imposed, by an order dated October 13, 2022, a monetary penalty of ₹2.00 lakh (Rupees Two Lakh only) on The Co-operative Bank of Rajkot Ltd., Rajkot (Gujarat) (the bank) for contravention of sub-section (2) of section 26A of the Banking Regulation Act, 1949 (the Act) read with paragraph 3 of The Depositor Education and Awareness Fund Scheme, 2014 (the scheme) enclosed with Circular on 'The Depositor Education and Awareness Fund Scheme, 2014 - Section 26A of Banking Regulation Act, 1949 - Operational Guidelines' dated May 27, 2014. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Sections 46 (4) (i) and 56 of the Act, 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 statutory inspection of the bank conducted by RBI with reference to its financial position as on March 31, 2021, the Inspection Report and Risk Assessment Report pertaining thereto and examination of all related correspondence revealed, *inter alia*, that the bank had not transferred balances lying in certain accounts remaining unclaimed for more than ten years to the Depositor Education and Awareness Fund, resulting in contravention of aforesaid provisions of the Act read with the scheme. 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 issued by RBI.

After considering the bank's reply to the notice and oral submissions made during the personal hearing, the RBI came to the conclusion that the aforesaid charge was substantiated and warranted imposition of monetary penalty.