



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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April 25, 2022

**RBI imposes monetary penalty on Rajkot Nagarik Sahakari  
Bank Limited, Rajkot**

The Reserve Bank of India (RBI) has, by an order dated April 18, 2022, imposed a monetary penalty of ₹12.00 lakh (Rupees twelve lakh only) on Rajkot Nagarik Sahakari Bank Limited, Rajkot (the bank) for non-compliance with the direction issued by RBI on 'Interest Rate on Deposits'. This penalty has been imposed in exercise of powers vested in RBI conferred under section 47 A (1) (c) read with sections 46 (4) (i) and 56 of Banking Regulation Act, 1949 (BR Act), taking into account failure of the bank to adhere to the aforesaid direction issued by RBI.

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 the bank's financial position as on March 31, 2019, the Inspection Report pertaining thereto and examination of all related correspondence revealed, *inter alia*, that the bank had not complied with the RBI direction on payment of interest on balances lying in the current accounts of deceased individual depositors / sole proprietorship concerns while making repayments to the claimants. 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 RBI direction, as stated therein.

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