



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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April 24, 2023

**RBI imposes monetary penalty on Baran Nagrik Sahkari Bank Ltd.,
Baran, Rajasthan**

The Reserve Bank of India (RBI) has imposed, by an order dated April 18, 2023, a monetary penalty of ₹2.00 lakh (Rupees Two Lakh only) on Baran Nagrik Sahkari Bank Ltd., Baran, Rajasthan (the bank) for contravention of Section 35 A read with Section 56 of the Banking Regulation Act, 1949. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and Section 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 inspection report of the bank based on its financial position as on March 31, 2021 revealed, inter-alia, that the bank was not in compliance with RBI Directions prohibiting grant of loans/advances/any other financial accommodation to relatives of its directors and not reporting the same in OSS-6 return to RBI, in contravention of Section 35 A read with Section 56 of the Banking Regulation Act, 1949. 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 said directions.

After considering the bank's reply, RBI came to the conclusion that the aforesaid charge of non-compliance with RBI directions was substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager