



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

April 18, 2024

**RBI imposes monetary penalty on Zila Sahakari Bank Ltd., Garhwal, Kotdwar, Uttarakhand**

The Reserve Bank of India (RBI) has imposed, by an order dated March 30, 2024, a monetary penalty of ₹5.00 lakh (Rupees Five lakh only) on Zila Sahakari Bank Ltd., Garhwal, Kotdwar, Uttarakhand (the bank) for contravention of the provisions of section 20(1)(b) and section 26A(2) read with section 56 of the Banking Regulation Act, 1949 (BR Act). This penalty has been imposed in exercise of powers vested in RBI, conferred under the provisions of 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 National Bank for Agriculture and Rural Development (NABARD) with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with statutory provisions/ 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 contravention of provisions of BR Act.

After considering the bank's reply to the notice and oral submissions made by it during the personal hearing, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty. The bank had (i) not transferred eligible unclaimed amounts to the Depositor Education and Awareness Fund within the prescribed time limit, and (ii) sanctioned a loan to its director, when it was prohibited.

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

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**(Yogesh Dayal)**  
Chief General Manager