



**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

January 23, 2023

**RBI imposes monetary penalty on Nutan Nagarik Sahakari Bank Ltd.,  
Ahmedabad**

The Reserve Bank of India (RBI) has, by an order dated January 17, 2023, imposed a monetary penalty of ₹26.00 lakh (Rupees Twenty-six lakh only) on Nutan Nagarik Sahakari Bank Ltd., Ahmedabad (the bank) for non-compliance with the directions issued by RBI on 'Co-operative Bank-Interest rate on deposits' and 'Guidelines for issue of ATM-cum-Debit cards by UCBs'. This penalty has been imposed in exercise of powers vested in RBI conferred 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, 2020, and examination of the Risk Assessment Report and all related correspondence pertaining to the same, revealed, *inter alia*, that the bank (i) failed to pay interest at the rate applicable to saving deposits on certain overdue recurring and fixed deposit accounts at the time of their repayment and (ii) had issued ATM-cum-Debit cards to certain cash credit account holders. 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 non-compliance with the RBI directions, as stated therein.

After considering the bank's reply to the notice, additional submissions made by it and the oral submissions made during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions were substantiated and warranted imposition of monetary penalty, to the extent of non-compliance with such directions.

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**(Yogesh Dayal)**  
Chief General Manager