



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



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 30, 2025

RBI imposes monetary penalty on The Vadali Nagarik Sahakari Bank Ltd., Dist. Sabarkantha, Gujarat

The Reserve Bank of India (RBI) has, by an order dated January 28, 2025, imposed a monetary penalty of ₹2.00 lakh (Rupees Two Lakh only) on The Vadali Nagarik Sahakari Bank Ltd., Dist. Sabarkantha, Gujarat (the bank) for non-compliance with certain directions issued by RBI on 'Loans and Advances to directors, relatives and firms/concerns in which they are Interested'; 'Placement of deposits with other banks by Primary (Urban) Co-operative Banks' and '[Know Your Customer \(KYC\)](#)'. This penalty has been imposed in exercise of powers conferred in RBI under section 47A(1)(c) read with sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

The statutory inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with 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 its failure to comply with the said directions. After considering the bank's reply to the notice and oral submissions made 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) sanctioned a loan wherein relative of its director stood as guarantor;
- ii) failed to adhere to the prudential inter-bank (gross) and counterparty exposure limits; and
- iii) failed to carry out periodic review of risk categorisation of certain accounts at least once in six months.

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.