

**भारतीय रिज़र्व बैंक**
RESERVE BANK OF INDIAवेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस. मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, S.B.S. Marg, Fort, Mumbai - 400 001

फोन/Phone: 022 - 2266 0502

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RBI imposes monetary penalty on The Kalupur Commercial Co-operative Bank Ltd., Ahmedabad

The Reserve Bank of India (RBI) has, by an order dated May 09, 2022, imposed a monetary penalty of ₹44.00 lakh (Rupees Forty-Four Lakh only) on The Kalupur Commercial Co-operative Bank Ltd., Ahmedabad (the bank) for non-compliance with the directions issued by RBI on 'Interest Rate on Deposits' and on 'Frauds in UCBs: Changes in Monitoring and Reporting mechanism'. 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 the failure of the bank to adhere to the aforesaid directions 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 inspections of the bank conducted by RBI with reference to its financial position as on March 31, 2019 and March 31, 2020, and examination of the Inspection Report, the Risk Assessment Report and all related correspondence pertaining to the same, revealed, *inter alia*, non-compliance with the aforesaid directions issued by RBI to the extent the bank (i) failed to pay interest on certain term deposits for the period they remained unclaimed after maturity, (ii) failed to make payment of applicable interest on deposits lying in the current accounts of deceased individual depositors/sole proprietorship concerns and (iii) reported some frauds with delay to RBI. 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 directions, as stated therein.

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