



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

Website : [www.rbi.org.in](http://www.rbi.org.in)

ई-मेल/email: [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

Department of Communication, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 022- 22660502

August 04, 2021

## RBI imposes monetary penalty on Nagarik Sahakari Bank Limited, Bhiwandi, Thane, Maharashtra

The Reserve Bank of India (RBI) has imposed, by an order dated August 04, 2021, a monetary penalty of ₹7 lakh (Rupees Seven lakh only) on Nagarik Sahakari Bank Limited, Bhiwandi, Thane, Maharashtra (the bank) for contravention of/ non-compliance with directions issued by RBI on Exposure Norms and Statutory / Other Restrictions- UCBs and [Know Your Customer \(KYC\)](#) Directions. 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 (the Act), taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

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, 2019, revealed, inter alia, that the bank had (i) not adhered to the prudential inter-bank gross exposure limit (ii) not adhered to the prudential inter-bank single counter party exposure limit (iii) not allotted Unique Customer Identification Codes (UCICs) to all its new and existing customers (iv) no system of periodic review of risk categorization of accounts and (v) no system to track the accounts where KYC documents were falling due for updation. 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 and contravention of the provisions of the Act and the directions issued under the Act, as stated therein.

After considering the bank's written reply to the show cause notice and its oral submissions made during the personal hearing and subsequent additional submissions, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions was substantiated and warranted imposition of monetary penalty.