



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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August 24, 2021

RBI imposes monetary penalty on The Lunawada Nagrik Sahakari Bank Ltd., Lunawada, Mahisagar District (Gujarat)

The Reserve Bank of India (RBI) has, by an order dated August 23, 2021, imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on The Lunawada Nagrik Sahakari Bank Ltd., Lunawada, Mahisagar District (Gujarat) (the bank) for non-compliance with directions issued by the RBI on '[Loans and advances to directors, relatives and firms / concerns in which they are interested](#)'. This penalty has been imposed in exercise of powers vested in the RBI under the provisions of section 47 A (1) (c) read with sections 46 (4) (i) and 56 of the Banking Regulation Act, 1949.

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 statutory inspection of the bank conducted by the RBI with reference to the bank's financial position as on March 31, 2019, the Inspection Report pertaining thereto and examination of all related correspondence revealed, *inter alia*, non-compliance with aforesaid directions issued by the 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 non-compliance with the aforesaid directions issued by the RBI. After considering the bank's reply to the notice, oral submissions made during the personal hearing and additional submissions, the RBI came to the conclusion that the aforesaid charge was substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager