



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes monetary penalty on Nagpur Nagarik Sahakari Bank Ltd., Nagpur

The Reserve Bank of India (RBI) has, by an order dated March 27, 2024, imposed a monetary penalty of ₹28.30 lakh (Rupees Twenty-Eight Lakh Thirty Thousand only) on Nagpur Nagarik Sahakari Bank Ltd., Nagpur (the bank), for non-compliance with RBI directions on '[Interest Rate on Deposits](#)' and '[Know Your Customer \(KYC\)](#)'. This penalty has been imposed in exercise of powers vested in RBI conferred under provisions of 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, 2021 and March 31, 2022. 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.:

(i) the bank had not paid interest on : (a) original principal deposit amounts, for the Sundays/ holidays/ non-business working days on which certain term deposits had matured, while making payment of the proceeds of those deposits on the succeeding working day (b) balances lying in certain current accounts of deceased individual depositors/sole proprietorship concerns, from the date of their death till the date of repayment of such balances to their claimants (c) certain matured term deposits, at the rate applicable to savings deposits, for the period they remained unclaimed after maturity, while making repayment of such deposits and

(ii) the bank did not undertake periodic review of risk categorization of accounts of its customers, 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 of 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.

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(Yogesh Dayal)
Chief General Manager