



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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May 20, 2021

RBI imposes monetary penalty on Nutan Nagarik Sahakari Bank Ltd., Ahmedabad

The Reserve Bank of India (RBI) has, by an order dated May 20, 2021, imposed a monetary penalty of ₹90 lakh (Rupees ninety lakh only) on Nutan Nagarik Sahakari Bank Ltd., Ahmedabad (the bank) for non-compliance with directions issued by RBI contained in [Master Directions on 'Interest Rate on Deposits'](#), ['Know Your Customer \(KYC\)'](#) and Circular on 'Frauds Monitoring and Reporting Mechanism'. This penalty has been imposed in exercise of powers vested in RBI under 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 and the Inspection Report (IR) pertaining thereto, and examination of all related correspondence revealed, *inter alia*, non-compliance with aforesaid directions issued by 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 provisions of the Act/ directions issued by RBI. After considering the bank's reply to the notice and oral submissions made in the personal hearing, RBI came to the conclusion that the aforesaid charges were substantiated and warranted imposition of monetary penalty.

Press Release: 2021-2022/246

(Yogesh Dayal)
Chief General Manager