



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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December 12, 2022

RBI imposes monetary penalty on Nagrik Sahakari Bank Maryadit, Jagdalpur, Chattisgarh

The Reserve Bank of India (RBI) has imposed, by an order dated December 05, 2022, a monetary penalty of ₹1.25 lakh (Rupees One lakh Twenty-Five Thousand only) on Nagrik Sahakari Bank Maryadit, Jagdalpur, Chhattisgarh (the bank) for contravention of/non-adherence with the Directions issued by RBI to Urban Co-operative Banks on Board of Directors, Exposure Norms & Statutory/Other Restrictions-UCBs and Know Your Customer (KYC). 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, 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, 2021, revealed, *inter alia*, that the bank had (i) given donation in excess of the prescribed limit, (ii) not adhered to prudential inter-bank (Gross) exposure limit, (iii) not complied with prudential inter-bank counter party limit, (iv) not carried out periodic review of risk categorisation of accounts, and (v) no system in place to detect suspicious transactions in contravention of/non-compliance with the aforesaid directions issued by RBI. 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 the directions.

After considering the bank's replies, oral submissions made during personal hearing and additional submissions made thereafter, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.