

**भारतीय रिज़र्व बैंक**
RESERVE BANK OF INDIAवेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

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RBI imposes monetary penalty on The Gujarat Rajya Karmachari Co-operative Bank Ltd., Ahmedabad (Gujarat)

The Reserve Bank of India (RBI) has, by an Order dated December 15, 2022, imposed a monetary penalty of ₹3.00 lakh (Rupees three lakh only) on The Gujarat Rajya Karmachari Co-operative Bank Ltd., Ahmedabad (Gujarat) (the bank) for contravention of directions issued by RBI on 'Maintenance of Statutory Reserves – Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) by Primary (Urban) Co-operative Banks' and sub-section (2) of section 26A of the Banking Regulation Act, 1949 (the Act) read with paragraph 3 of The Depositor Education and Awareness Fund Scheme, 2014 (the scheme) enclosed with [Circular on 'The Depositor Education and Awareness Fund Scheme, 2014 - Section 26A of Banking Regulation Act, 1949 - Operational Guidelines' dated May 27, 2014](#). 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, 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 statutory inspection of the bank conducted by RBI with reference to the bank's financial position as on March 31, 2019, and examination of the Inspection Report and all related correspondence pertaining to the same revealed, *inter alia*, that the bank had not maintained minimum Cash Reserve Ratio (CRR) and the bank had not transferred balances lying in certain accounts remaining unclaimed for more than ten years to the Depositor Education and Awareness Fund, resulting in contravention of 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 aforesaid directions issued by RBI.

After considering the bank's reply to the notice and oral submissions made during the personal hearing, the RBI came to the conclusion that the aforesaid charges were substantiated and warranted imposition of monetary penalty.