

**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 Rajarambapu Sahakari
Bank Ltd. Peth, Sangli**

The Reserve Bank of India (RBI) has, by an order dated September 26, 2022, imposed a monetary penalty of ₹28.00 lakh (Rupees Twenty-eight lakh only) on Rajarambapu Sahakari Bank Ltd. Peth, Sangli (the bank) for non-compliance with RBI directions on 'Customer Protection - Limiting Liability of Customers of Co-operative Banks in Unauthorised Electronic Banking Transactions' and on 'Interest Rate on Deposits'. This penalty has been imposed in exercise of powers vested in RBI conferred under section 47 A (1) (c) read with sections 46 (4) (i) and 56 of the Banking Regulation Act, 1949 (BR Act).

This action is based on deficiency 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 its financial position as on March 31, 2020, and examination of the Risk Assessment Report and all related correspondence pertaining to the same, revealed, *inter alia*, that the bank had (i) not provided a direct link for its customers to lodge complaints, with specific option to report unauthorised electronic banking transactions, on the home page of its website and (ii) not paid applicable interest on balance amounts lying in current accounts of deceased individual depositors/ sole proprietorship concerns while making repayments to the claimants. 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 RBI directions, as stated therein.

After considering the bank's reply to the notice, oral submissions made during the personal hearing and on examination of additional submissions made by it, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty.