



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort,

Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

November 18, 2024

RBI imposes monetary penalty on M.S. Co-operative Bank Ltd., Vadodara, Gujarat

The Reserve Bank of India (RBI) has, by an order dated November 12, 2024, imposed a monetary penalty of ₹1.50 lakh (Rupees One Lakh Fifty Thousand only) on M.S. Co-operative Bank Ltd., Vadodara, Gujarat (the bank) for non-compliance with certain directions issued by RBI on 'Interest Rate on Deposits' and '[Know Your Customer \(KYC\)](#)'. This penalty has been imposed in exercise of powers vested in RBI, conferred under the 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, 2023. 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 by it during the personal hearing, RBI found, inter alia, that the following charges against the bank were sustained, warranting imposition of monetary penalty:

The bank had failed to:

- i) pay the applicable interest on: (a) term deposits which remained unclaimed after maturity from the date of maturity till the date of their repayment, (b) term deposits for the Sundays/holidays/non-business working days on which the same had matured and were repaid on the succeeding working days, and (c) balances lying in current accounts of certain deceased individual depositors/sole proprietorship concerns, from the date of their death till the date of repayment to their claimants; and
- ii) carry out periodic updation of KYC of certain high-risk customers.

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. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.