

**भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

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September 28, 2023

**RBI imposes monetary penalty on Bassein Catholic Co-operative Bank Ltd.,  
Vasai, Maharashtra**

The Reserve Bank of India (RBI) has, by an order dated September 22, 2023, imposed a monetary penalty of ₹25 lakh (Rupees Twenty Five lakh only) on Bassein Catholic Co-operative Bank Ltd., Vasai, Maharashtra (the bank) for contravention of the provisions of Section 20 read with Section 56 of the Banking Regulation Act, 1949 (BR Act), and the directions issued by RBI on 'Exposure Norms and Statutory / Other Restrictions'. This penalty has been imposed in exercise of powers vested in RBI under Section 47A(1)(c) read with Sections 46(4)(i) and 56 of the 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, 2021, and examination of the Risk Assessment Report, Inspection Report and all related correspondence pertaining to the same, revealed, *inter alia*, that the bank had granted multiple unsecured loans to one of its director / his proprietorship firm. Consequently, 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 BR Act and the RBI directions, as stated therein.

After considering the bank's reply to the notice, its additional submissions and oral submissions made during the personal hearing, RBI came to the conclusion that the charge of contravention of the statutory provisions and the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty.