

**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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October 13, 2021

Reserve Bank of India imposes monetary penalty on The Sahyadri Sahakari Bank Limited, Mumbai

The Reserve Bank of India (RBI) has imposed, by an order dated October 13, 2021, a monetary penalty of ₹3.00 lakh (Rupees Three lakh only) on The Sahyadri Sahakari Bank Limited, Mumbai (the bank) for contravention of the provisions of Section 26A read with Section 56 of the Banking Regulation Act, 1949 (the Act), the Scheme framed thereunder and for contravention of /non-compliance with the directions issued by RBI contained in the Master Circular on Frauds - Classification and Reporting. 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 Act, taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

The 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, 2019, revealed, *inter alia*, that the bank had (i) not transferred amount unclaimed in accounts for more than ten years to Depositor Education and Awareness Fund (DEA Fund) and (ii) had reported frauds to RBI with an inordinate delay. 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 and contravention of the provisions of the Act and the aforesaid directions, as stated therein.

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