

**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 Sahayadri Sahakari Bank Limited, Mumbai, Maharashtra

The Reserve Bank of India (RBI) has imposed, by an order dated September 15, 2023, a monetary penalty of ₹6.00 lakh (Rupees Six lakh only) on The Sahayadri Sahakari Bank Limited, Mumbai (the bank) for contravention of Section 26A read with Section 56 of the Banking Regulation Act, 1949 (BR Act), specific directions issued by RBI under the Supervisory Action Framework (SAF), and non-compliance with the RBI Directions on '[Know Your Customer \(KYC\)](#)' and 'Maintenance of Deposit Accounts-Primary (Urban) Co-operative Banks'. This penalty has been imposed in exercise of powers conferred on RBI under Section 47A(1)(c) read with Sections 46(4)(i) and 56 of the BR Act.

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 its financial position as on March 31, 2022, and examination of the Risk Assessment Report and all correspondence related thereto revealed, *inter alia*, that the bank (i) had not transferred eligible amounts to Depositor Education and Awareness Fund (DEA Fund), (ii) had offered interest rates on deposits at rate more than those offered by the State Bank of India in violation of specific directions issued under the SAF, (iii) had not put in place a system for periodic updation of KYC of its customers, (iv) had not conducted annual review of inoperative/dormant accounts, and (v) had not conducted periodic review of risk categorisation of its high-risk customers. 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 on it for failure to comply with the directions, as stated therein.

After considering the bank's reply to the notice, RBI came to the conclusion that the aforesaid charge of non-compliance with the RBI directions was substantiated and warranted imposition of monetary penalty.