



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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March 30, 2021

Reserve Bank of India imposes monetary penalty on Akhand Anand Co-operative Bank Ltd., Surat (Gujarat)

The Reserve Bank of India (RBI) has imposed, by an order dated March 26, 2021, a monetary penalty of ₹2.00 lakh (Rupees two lakh only) on Akhand Anand Co-operative Bank Ltd., Surat (Gujarat) (the bank) for contravention of directions issued by RBI on (i) 'Loans and advances to directors, relatives and firms /concerns in which they are interested' read with 'Loans and advances to directors etc. – directors as surety/guarantors – Clarification', (ii) 'Maintenance of Statutory Reserves - Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) by Primary (Urban) Co-operative Banks' and (iii) 'Declaration of dividend by UCBs'. 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 Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

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 inspections of the bank based on its financial position as on March 31, 2018 and March 31, 2019, revealed, *inter alia*, contravention of/ non-compliance with the above mentioned directions issued by RBI. Based on the same, notices were issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with the directions.

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