



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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

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May 02, 2024

RBI imposes monetary penalty on The Satara Sahakari Bank Limited, Mumbai

The Reserve Bank of India (RBI) has, by an order dated April 29, 2024, imposed a monetary penalty of ₹ 2.00 lakh (Rupees Two lakh only) on The Satara Sahakari Bank Limited, Mumbai, Maharashtra (the bank) for non-compliance with certain provisions of section 12(2) read with section 56 of the Banking Regulation Act, 1949 (BR Act) and directions issued by RBI on 'Prudential Norms on Capital Adequacy - Primary (Urban) Co-operative Banks (UCBs)'. This penalty has been imposed in exercise of powers vested in RBI, conferred under section 47A(1)(c) read with sections 46(4)(i) and 56 of the BR Act.

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, RBI found, *inter alia*, that the charge of the bank allowing refund of share capital to its members, despite its last assessed CRAR being below 9 percent was sustained, warranting imposition of monetary penalty.

This action is based on the 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.

Press Release: 2024-2025/232

(Yogesh Dayal)
Chief General Manager