



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 05, 2023

**RBI imposes monetary penalty on Sawantwadi Urban Co-operative Bank Ltd.,
Sawantwadi, Maharashtra**

The Reserve Bank of India (RBI) has, by an order dated May 29, 2023, imposed a monetary penalty of ₹3.00 lakh (Rupees Three lakh only) on Sawantwadi Urban Co-operative Bank Ltd., Sawantwadi (the bank) for contravention of directions contained in the Supervisory Action Framework (SAF) issued by RBI under section 36 (1) read with section 56 of the Banking Regulation Act, 1949 (the Act). 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 (the Act), 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 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 related correspondence pertaining to the same, revealed, inter alia, that despite SAF restrictions, the bank had sanctioned, other than permitted category, of fresh loans and advances and had offered interest rates on term deposits higher than those offered by State Bank of India. 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 for contravention of directions issued by RBI under Supervisory Action Framework.

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