



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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July 15, 2021

Reserve Bank of India imposes monetary penalty on Sawantwadi Urban Cooperative Bank Limited, Sindhudurg

The Reserve Bank of India (RBI) has imposed, by an order dated July 15, 2021, a monetary penalty of ₹ 1.00 lakh (Rupees One lakh only) on Sawantwadi Urban Cooperative Bank Limited, Sindhudurg (the bank) for contravention of/ non-compliance with directions contained in the Supervisory Action Framework (SAF) issued by RBI under sections 35A and 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 47A(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 SAF instructions/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 by sanctioning fresh loans contravened one of the aforesaid SAF instructions. 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 the SAF instructions directions.

After considering the bank's 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.