



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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July 25, 2022

RBI imposes monetary penalty on Dombivli Nagari Sahakari Bank Ltd., Dombivli

The Reserve Bank of India (RBI) has, by an order dated July 20, 2022, imposed a monetary penalty of ₹45.00 lakh (Rupees forty-five lakh only) on Dombivli Nagari Sahakari Bank Ltd., Dombivli (the bank) for non-compliance with the directions issued by RBI on 'Frauds monitoring and reporting mechanism' and 'Maintenance of Deposit Accounts'. This penalty has been imposed in exercise of powers vested in RBI conferred under section 47 A (1) (c) read with sections 46 (4) (i) and 56 of Banking Regulation Act, 1949 (BR Act), taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

This action is based on deficiency 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, 2020, and examination of the Risk Assessment Report and all related correspondence pertaining to the same, revealed, *inter alia*, that the bank had (i) reported cases of frauds with delay and (ii) levied penal charges for non-maintenance of minimum balances in SB accounts without notifying the customers and providing them with one month notice for restoration of minimum balances. 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 the RBI directions, as stated therein.

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

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(Yogesh Dayal)
Chief General Manager