



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes monetary penalty on Apna Sahakari Bank Ltd., Mumbai

The Reserve Bank of India (RBI) has, by an order dated September 23, 2021, imposed a monetary penalty of ₹79.00 lakh (Rupees seventy-nine lakh only) on Apna Sahakari Bank Ltd., Mumbai (the bank) for non-compliance with directions issued by RBI on 'Income Recognition, Asset Classification, Provisioning and other related matters (IRAC norms)', 'Interest Rate on Deposits' 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 the Banking Regulation Act, 1949, taking into account 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 the RBI with reference to the bank's financial position as on March 31, 2019, the Inspection Report pertaining thereto, and examination of all related correspondence revealed, *inter alia*, that the bank had not complied with the directions issued by RBI on NPA classification, payment of interest on deposits lying in current accounts of deceased individual depositors or sole proprietorship concerns while settling the claims and levying of penal charges in savings bank accounts for non-maintenance 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 aforesaid directions.

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 charge of non-compliance with the aforesaid RBI directions were substantiated and warranted imposition of monetary penalty, to the extent of non-compliance with the aforesaid directions.