



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes monetary penalty on Vasai Vikas Sahakari Bank Ltd., Vasai

The Reserve Bank of India (RBI) has, by an order dated September 29, 2022, imposed a monetary penalty of ₹20.00 lakh (Rupees Twenty lakh only) on Vasai Vikas Sahakari Bank Ltd., Vasai, Maharashtra (the bank) for non-compliance with RBI directions on 'Frauds monitoring and reporting mechanism'. 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 (BR Act).

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 reported frauds with delay. 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 non-compliance with the RBI directions, as stated therein.

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

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(Yogesh Dayal)
Chief General Manager