



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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April 04, 2024

RBI imposes monetary penalty on Bassein Catholic Co-operative Bank Limited

The Reserve Bank of India (RBI) has, by an order dated March 28, 2024, imposed a monetary penalty of ₹61,60,000/- (Rupees Sixty-One Lakh and Sixty Thousand only) on Bassein Catholic Co-operative Bank Ltd. (the bank) for non-compliance with RBI directions on 'Frauds in UCBs: Changes in Monitoring and Reporting mechanism', '[Know Your Customer \(KYC\)](#)', 'Maintenance of Deposit Accounts' and 'Management of Advances'. This penalty has been imposed in exercise of powers vested in RBI, conferred under the provisions of section 47A(1)(c) read with section 46(4)(i) and section 56 of the Banking Regulation Act, 1949.

The statutory inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2022. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions.

After considering the bank's reply to the notice, oral submissions made during the personal hearing and additional submissions made by it, RBI found, *inter alia*, that the following charges were sustained, warranting imposition of monetary penalty:

The bank had :(i) reported frauds with delay, (ii) not carried out periodic review of risk categorisation of accounts during FY 2021-22, (iii) levied penal charges for non-maintenance of minimum balances in dormant / inoperative savings bank and current deposit accounts, and (iv) restructured credit facilities without establishing the financial viability and reasonable certainty of repayment by the borrowers.

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. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.