February 22, 2024

RBI imposes monetary penalty on G P Parsik Sahakari Bank Ltd., Thane

The Reserve Bank of India (RBI) has, by an order dated February 7, 2024, imposed a monetary penalty of ₹26.60 lakh (Rupees Twenty-Six lakh Sixty thousand only) on G P Parsik Sahakari Bank Ltd., Thane (the bank) for non-compliance with the directions issued by RBI on 'Customer Protection - Limiting Liability of Customers of Co-operative Banks in Unauthorised Electronic Banking Transactions' and on 'Basic Savings Bank Deposit Account' (BSBD Account). This penalty has been imposed in exercise of powers conferred on RBI under section 47A(1)(c) read with sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

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, 2022, and examination of the Risk Assessment Report, Inspection Report and all correspondence related thereto revealed, *inter alia*, that the bank had (i) not credited (shadow reversal) the amounts involved in certain unauthorised electronic transactions into the accounts of customers within 10 working days from the dates of notification by the customers and (ii) levied ATM card issuance charges and ATM card annual maintenance charges in BSBD Accounts. Consequently, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for non-compliance with the RBI directions, as stated therein.

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

(Shweta Sharma)
Deputy General Manager

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