



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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November 20, 2023

**RBI imposes monetary penalty on Sangli Sahakari Bank Limited,
Mumbai, Maharashtra**

The Reserve Bank of India (RBI), by an order dated September 15, 2023, has imposed a monetary penalty of ₹2.00 lakh (Rupees Two lakh only) on Sangli Sahakari Bank Limited, Mumbai (the bank) for non-compliance with the directions issued by RBI on 'Board of Directors-UCBs'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47A (1) (c) read with Section 46 (4) (i) and Section 56 of the Banking Regulation Act, 1949.

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.

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 Inspection report, Risk Assessment Report and all correspondence thereto revealed, inter alia, that the bank had renewed a loan given to a relative of one of its directors. Subsequently, 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, as stated therein.

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