

**भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

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**RBI imposes monetary penalty on Bassein Catholic Co-operative  
Bank Ltd., Vasai**

The Reserve Bank of India (RBI) has, by an order dated June 02, 2022, imposed a monetary penalty of ₹49.00 lakh (Rupees Forty-Nine Lakh only) on Bassein Catholic Co-operative Bank Ltd., Vasai (the bank) for non-compliance with the directions issued by RBI on 'Income Recognition, Asset Classification, Provisioning and Other Related Matters' (IRAC norms). 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), taking into account the 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 RBI with reference to its financial position as on March 31, 2019, the Inspection Report pertaining thereto and examination of all related correspondence revealed, *inter alia*, that in non-compliance with the aforesaid directions issued by RBI, the bank in certain instances (i) had upgraded/ regularised loan accounts of borrowers without recovering overdue amounts and (ii) had not classified existing non-performing loan accounts of borrowers as NPAs, on restructuring. 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 the RBI directions, as stated therein.

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