



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस. मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, S.B.S. Marg, Fort, Mumbai - 400 001

फोन/Phone: 022 - 2266 0502

September 26, 2022

**RBI imposes monetary penalty on The Andaman & Nicobar State
Co-operative Bank Ltd.**

The Reserve Bank of India (RBI) has imposed, by an order dated September 22, 2022, a monetary penalty of ₹5.00 lakh (Rupees Five lakh only) on The Andaman & Nicobar State Co-operative Bank Ltd. (the bank) for contravention of/non-compliance with the provisions of Section 20 read with Section 56 of BR Act, 1949 (AACS). This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and Section 56 of the Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

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 inspection report of the bank based on its financial position as on March 31, 2019, revealed, inter alia, violation/non-compliance with the provisions of Section 20 read with Section 56 of the BR Act, 1949 (AACS) as the bank sanctioned unsecured loans to its directors. Based on 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 directions.

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

Press Release: 2022-2023/937

(Yogesh Dayal)
Chief General Manager