



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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## RBI imposes monetary penalty on Apani Sahkari Bank Ltd., Ahmedabad, Gujarat

The Reserve Bank of India (RBI) has, by an order dated December 04, 2024, imposed a monetary penalty of ₹3.50 lakh (Rupees Three Lakh Fifty Thousand only) on Apani Sahkari Bank Ltd., Ahmedabad, Gujarat (the bank) for contravention of provisions of Section 26A read with Section 56 of the Banking Regulation Act, 1949 (BR Act) and non-compliance with certain directions issued by RBI on 'Loans and advances to directors, their relatives, and firms / concerns in which they are interested', 'Placement of Deposits with Other Banks by Primary (Urban) Co-operative Banks (UCBs)' and '[Know Your Customer \(KYC\)](#)'. This penalty has been imposed in exercise of powers conferred on RBI, under the provisions of Section 47A(1)(c) read with Sections 46(4)(i) and 56 of the BR Act.

The statutory inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of contravention of statutory provisions/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 and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty:

The bank had:

- i) failed to transfer eligible unclaimed amounts to the Depositor Education and Awareness Fund within the prescribed time;
- ii) sanctioned a loan to the relative of bank's director;
- iii) breached the prudential inter-bank (gross) and counterparty exposure limits;
- iv) failed to upload the KYC records of certain customers onto Central KYC Records Registry within the prescribed timeline; and
- v) failed to carry out risk categorisation of certain customers.

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.