

Sub: Summary of Order-in-Original No. 1/DIR/FIU-IND/2022 in the matter of Harihareshwar Sahakari Bank Ltd., Wai – reg

The RBI has shared findings of its inspection of ‘**Harihareshwar Sahakari Bank Ltd.**’, with FIU-IND, wherein it was pointed out that the Bank was not submitting CTRs within stipulated time and the Bank had not filed certain CTRs.

2. Accordingly, vide Show-Cause Notice (SCN) dated 21st November, 2019, the Bank was called upon to explain as to why suitable directions including directions for imposition of penalty should not be passed against the Bank under section 13 of the Act read with section 12 of the Act and rules 3 and 7 of the Rules, 2005 for delay in filing CTRs and non-filing of CTRs.

3. The Bank submitted its reply to the SCN and in accordance with the principles of natural justice the Bank was granted opportunity of personal hearing through its authorised representatives.

4. After considering the submissions of the Bank, vide Order-in-Original No. 1/DIR/FIU-IND/2022 dated 11th January, 2022, the Director, FIU-IND disposed of the adjudication proceedings instituted against the Bank vide the Show-Cause Notice dated November 21, 2019 and in exercise of the powers conferred under section 13(2)(d) of the Act imposed monetary penalty of **₹ One lakh eighty thousand only (₹1,80,000/-)** for non-compliance of section 12 of the Act, read with rules 3 and 7 of the Rules, 2005 by the Bank, viz. non-filing of one CTR and delayed filing of 46 CTRs, under section 12 of the Act, read with Rules 3(1)(A), 3(1)(B), 7(2), 7(3), 7(4) of the PML Rules, 2005.

5. In terms of section 13(2)(b) of the Act, the Director, FIU-IND directed the Bank to file 1 CTR not reported till date within 30 days from the receipt of this penalty order. The Bank has also been advised to exercise caution in future regarding compliance with the provisions of the Prevention of Money Laundering Act, 2002 and the Rules made thereunder.

Disclaimer: The summary of the instant Order-in-Original is only representational in nature and does not hold any legal significance or cannot be relied upon or referred to as a precedence in any other case.